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# General Plan

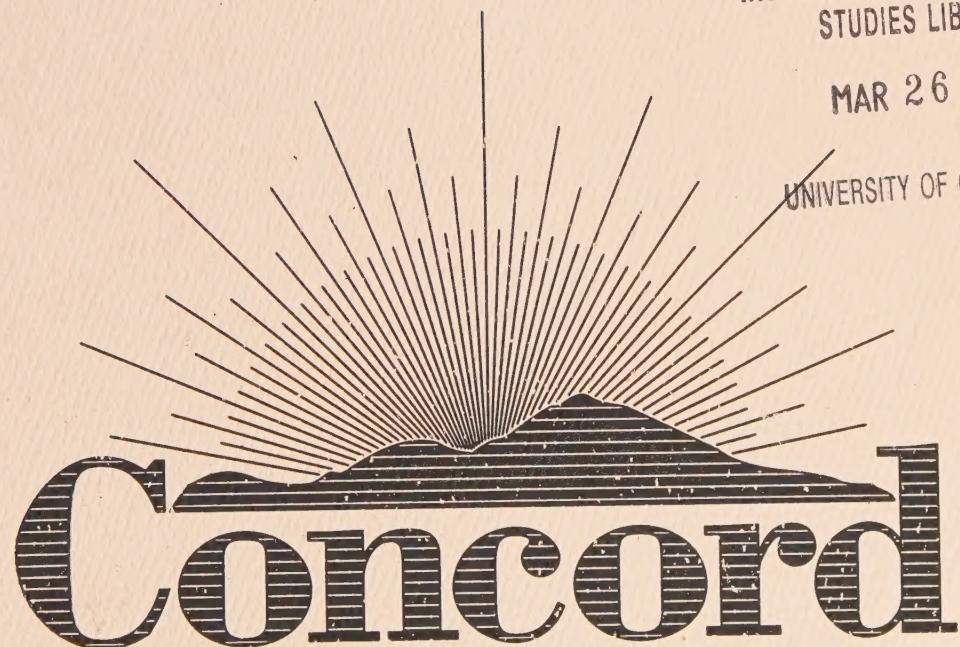
## Chapter 1.27

### Housing

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**City of Concord General Plan**

**HOUSING ELEMENT**

**Chapter 1.27**

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**Adopted October 30, 1990**



## TABLE OF CONTENTS

	<u>Page</u>
<b>SUMMARY OF FINDINGS .....</b>	I
<b>I. INTRODUCTION .....</b>	1
<b>COMMUNITY PARTICIPATION .....</b>	1
<b>II. EXISTING AND PROJECTED HOUSING NEED .....</b>	2
<b>POPULATION AND EMPLOYMENT .....</b>	2
POPULATION TRENDS .....	2
AGE .....	5
ETHNICITY .....	6
GENDER .....	7
EMPLOYMENT TRENDS .....	8
JOBS/HOUSING BALANCE .....	9
<b>INCOME AND HOUSING AFFORDABILITY ANALYSIS .....</b>	12
CHANGES IN THE INCOME STRUCTURE .....	12
RATE OF INCOME GROWTH .....	14
HOUSING COSTS .....	16
OVERPAYMENT .....	18
<b>HOUSING CHARACTERISTICS .....</b>	21
ANNUAL GROWTH IN HOUSING UNITS (1980-1989) .....	21
TENURE .....	22
VACANCY RATES .....	22
AGE AND CONDITION OF THE HOUSING STOCK .....	24
OVERCROWDING .....	25
<b>EXISTING AND PROJECTED HOUSING NEED (1990-1995) .....</b>	26
<b>ABAG REGIONAL HOUSING NEED .....</b>	28
<b>SPECIAL HOUSING NEEDS .....</b>	30
SENIOR POPULATION .....	30
FEMALE HEADED HOUSEHOLD .....	31
DISABLED PERSONS .....	33
FIRST-TIME HOMEBUYERS AND UPPER INCOME HOUSEHOLDS .....	34
FARMWORKERS .....	36
LARGE FAMILIES .....	36
THE HOMELESS .....	36
<b>OPPORTUNITIES FOR ENERGY CONSERVATION .....</b>	40

**TABLE OF CONTENTS**  
(Cont'd)

<b>III. ASSESSMENT OF RESOURCES AND CONSTRAINTS AFFECTING HOUSING PRODUCTION .....</b>	<b>42</b>
<b>PRIVATE SECTOR RESOURCES FOR HOUSING PRODUCTION .....</b>	<b>42</b>
<b>PRIVATE NON-PROFIT DEVELOPERS .....</b>	<b>42</b>
<b>NON-PROFIT LENDERS AND INTERMEDIARIES .....</b>	<b>43</b>
<b>STATE, FEDERAL, AND LOCAL RESOURCES FOR HOUSING PRODUCTION .....</b>	<b>44</b>
<b>REDEVELOPMENT AGENCY COMMITMENT .....</b>	<b>44</b>
<b>TAX CREDITS FOR LOW-INCOME HOUSING .....</b>	<b>46</b>
<b>INVENTORY OF SITES SUITABLE FOR HOUSING .....</b>	<b>47</b>
<b>CONSTRAINTS TO HOUSING PRODUCTION .....</b>	<b>50</b>
<b>LOCAL GOVERNMENT CONSTRAINTS .....</b>	<b>50</b>
Permit Process .....	50
City Land Use and Development .....	53
City Infrastructure .....	54
City Permit Process Timeline and Fees .....	55
Condominium Conversion Regulations .....	55
Mobile Home Park Conversions, Discontinuance, or Closure .....	55
<b>FEDERAL AND STATE GOVERNMENTAL CONSTRAINTS .....</b>	<b>57</b>
Conversion of At-risk Housing .....	58
<b>NON-GOVERNMENTAL CONSTRAINTS .....</b>	<b>60</b>
Direct Land Costs .....	60
Direct Construction Costs .....	60
Indirect Costs .....	61
Cost of Housing .....	62
<b>IV. ASSESSMENT OF PREVIOUS HOUSING ELEMENT OBJECTIVES (1985-1990) .....</b>	<b>62</b>
<b>ASSESSMENT OF GOALS, POLICIES AND PROGRAMS (1985-1990) .....</b>	<b>62</b>
<b>GOAL 1 .....</b>	<b>62</b>
<b>GOAL 2 .....</b>	<b>66</b>
<b>GOAL 3 .....</b>	<b>67</b>
<b>GOAL 4 .....</b>	<b>69</b>
<b>GOAL 5 .....</b>	<b>69</b>
<b>OTHER GOALS .....</b>	<b>71</b>
<b>SUMMARY .....</b>	<b>71</b>

**TABLE OF CONTENTS**  
(Cont'd)

<b>V. HOUSING GOALS, POLICIES, AND QUANTIFIED OBJECTIVES .....</b>	<b>73</b>
<b>SCHEDULE OF RECOMMENDED PROGRAMS (1990-1995) .....</b>	<b>73</b>
Flexible Zoning .....	73
High Density Zoning .....	73
Second Living Units .....	73
Mobile Homes .....	73
Duplexes on Corner Lots .....	74
Development Fees .....	74
Development Processing/Timeline .....	74
Fair Housing Program .....	74
Density Bonus .....	75
Shared Living .....	76
Transfer of Development Rights .....	77
Rehabilitation .....	77
Municipal Bonds .....	77
Redevelopment Agency Commitment .....	77
<b>HOUSING GOALS, POLICIES, AND QUANTIFIED OBJECTIVES (1990-1995) .....</b>	<b>77</b>
<b>GOAL 1 .....</b>	<b>77</b>
Policy 1 .....	77
Policy 2 .....	78
Policy 3 .....	79
Policy 4 .....	79
Policy 5 .....	80
Policy 6 .....	81
Policy 7 .....	82
Policy 8 .....	82
Policy 9 .....	83
Policy 10 .....	83
<b>GOAL 2 .....</b>	<b>84</b>
Policy 1 .....	84
Policy 2 .....	84
Policy 3 .....	85
<b>GOAL 3 .....</b>	<b>85</b>
Policy 1 .....	85
Policy 2 .....	85
Policy 3 .....	86
Policy 4 .....	87
Policy 5 .....	87
Policy 6 .....	87
Policy 7 .....	88

**TABLE OF CONTENTS  
(Cont'd)**

<b>GOAL 4 . . . . .</b>	<b>88</b>
Policy 1 . . . . .	88
Policy 2 . . . . .	89
<b>GOAL 5 . . . . .</b>	<b>89</b>
Policy 1 . . . . .	89
Policy 2 . . . . .	89

**APPENDIX 1: ENVIRONMENTAL ASSESSMENT**

## LIST OF TABLES

	<u>Page</u>
Table 1. HOUSING NEEDS 1985-1990, City of Concord .....	I
Table 2. PROJECTED HOUSING NEEDS 1988-1995, City of Concord .....	I
Table 3. POPULATION 1980-1989, City of Concord and Contra Costa County .....	2
Table 4. PERSONS PER HOUSEHOLD BY HOUSING TYPE, City of Concord 1980 and 1989 .....	3
Table 5. NEW HOUSING CONSTRUCTION BY HOUSING TYPE, City of Concord 1980-1989 .....	3
Table 6. HOUSING STOCK BY HOUSING TYPE, City of Concord 1980 - 1989 .....	4
Table 7. POPULATION PROJECTIONS, City of Concord 1990-2005 .....	5
Table 8. PERSON PER HOUSEHOLD PROJECTIONS, City of Concord 1990-2005 .....	5
Table 9. HOUSEHOLD FORMATION PROJECTIONS, City of Concord 1990-2005 .....	5
Table 10. POPULATION BY AGE GROUP, City of Concord 1980 and 1989 .....	6
Table 11. ETHNIC COMPOSITION OF THE POPULATION, City of Concord 1980 .....	7
Table 12. POPULATION BY GENDER, City of Concord 1980 and 1989 .....	7
Table 13. FEMALE POPULATION BY AGE GROUP, City of Concord 1980 and 1989 .....	8
Table 14. PROJECTED TOTAL EMPLOYMENT 1980-2005, City of Concord and Contra Costa County .....	8
Table 15. JOBS/HOUSING BALANCE, City of Concord 1970-2005 .....	10
Table 16. COMMUTE PATTERNS OF CONCORD'S EMPLOYED RESIDENTS, City of Concord 1970-1980 .....	10
Table 17. RESIDENCE LOCATION OF CONCORD'S WORKFORCE, City of Concord 1970-1980 .....	11
Table 18. RESIDENCE LOCATION OF CONCORD'S WORKFORCE, City of Concord 1989 .....	12
Table 19. HOUSEHOLD INCOME BY INCOME RANGE, City of Concord 1979 and 1989 .....	13
Table 20. HOUSEHOLD INCOME, City of Concord, 1979 and 1989. ....	14
Table 21. TOP FIVE PER CAPITA INCOMES BY COUNTY IN CALIFORNIA 1980 and 1987.....	14
Table 22. TOP FIFTEEN PER CAPITA INCOMES BY COUNTY IN CALIFORNIA 1987 .....	15
Table 23. PER CAPITA INCOME GROWTH BY COUNTY IN CALIFORNIA 1980-1987. ....	15
Table 24. AVERAGE HOME SALES PRICE, City of Concord, 1982 to 1989. ....	16
Table 25. MEDIAN SALES PRICES 1989, City of Concord and Surrounding Communities. ....	17
Table 26. HOUSING APPRECIATION 1982-1989, City of Concord and Surrounding Communities. ....	18
Table 27. HOUSING AFFORDABILITY - OWNERSHIP, City of Concord, 1989. ....	19
Table 28. MEDIAN ADVERTISED RENT FOR A TWO-BEDROOM APARTMENT, Bay Area, 1989-90 .....	20
Table 29. HOUSING AFFORDABILITY - RENTAL HOUSING, City of Concord, 1989. ....	21
Table 30. ANNUAL GROWTH IN HOUSING UNITS BY TYPE, City of Concord 1980-1989 .....	22
Table 31. TENURE OF THE HOUSING STOCK, City of Concord 1980 and 1989 .....	22
Table 32. VACANCY RATES, City of Concord, 1980-1989 .....	24
Table 33. AGE OF THE HOUSING STOCK, City of Concord .....	25

**LIST OF TABLES**  
(Cont'd)

Table 34. OVERCROWDED HOUSING UNITS 1980, City of Concord and Region .....	25
Table 35. EMPLOYMENT GROWTH AND NEW RESIDENT WORKER PROJECTIONS, City of Concord 1990-1995 .....	28
Table 36. HOUSEHOLD ALLOCATION OF NEW RESIDENT WORKERS, City of Concord 1990-1995 .....	28
Table 37. EXISTING AND PROJECTED HOUSING NEEDS, City of Concord and Contra Costa County 1988 to 1995 .....	29
Table 38. PROJECTED HOUSING NEED BY INCOME CATEGORY, City of Concord and Contra Costa County 1988-1995 .....	29
Table 39. INCOME DISTRIBUTION, City of Concord 1980 .....	30
Table 40. PUBLIC ASSISTANCE RECIPIENTS, Contra Costa County 1986 to 1988 .....	32
Table 41. AID TO FAMILIES WITH DEPENDENT CHILDREN, Contra Costa County 1986 to 1988 .....	33
Table 42. SUPPLEMENTAL SECURITY INCOME RECIPIENTS BY PROGRAM, Contra Costa County 1985 to 1987 .....	33
Table 43. MEDIAN SALES PRICES 1989, City of Concord and Surrounding Communities .....	35
Table 44. SHELTER RESOURCES FOR HOMELESS AND OTHER AT-RISK GROUPS, City of Concord .....	37
Table 45. COMMUNITY FOOD & SHELTER GUIDE, Central Contra Costa County .....	39
Table 46. UNDEVELOPED RESIDENTIAL LAND, City of Concord, 1990 .....	48
Table 47. ALTERNATIVE ZONING BY DISTRICT, City of Concord 1985 to 1989 .....	50
Table 48. AGENCIES INVOLVED IN THE DEVELOPMENT REVIEW PROCESS, City of Concord, 1990 .....	51
Table 49. LOW INCOME RENTAL UNITS SUBJECT TO TERMINATION OF FEDERAL MORTGAGE AND/OR RENT SUBSIDIES, City of Concord, March 1, 1989 .....	59
Table 50. COSTS OF DEVELOPMENT, Single Family Development .....	60
Table 51. CONSTRUCTION COST STATISTICS, City of Concord 1986 to 1989 .....	61

## SUMMARY OF FINDINGS

Every five years, housing goals are adopted and implemented by the City of Concord to meet the existing and projected housing needs of all economic segments of the community. The Association of Bay Area Governments (ABAG) also establishes five-year projections of housing needs for Bay Area cities. In 1985, the City of Concord adopted the following housing production and improvement goals for the period 1985-1990:

**Table 1. HOUSING NEEDS 1985-1990, City of Concord**

<u>Income Group<sup>1</sup></u>	<u>ABAG Projected Housing Need</u>	<u>City of Concord Adopted Housing Need</u>	<u>Actual Housing Provided</u>	<u>Housing Receiving Rehabilitation Assistance</u>
Very Low Income Households	542 units	295 units	129	202 units
Low Income Households	434	355	179	191
Moderate Income Households	569	675	1,049	60
Above Moderate Income Households	<u>1,166</u>	<u>1,390</u>	<u>1,776</u>	<u>0</u>
<b>TOTAL:</b>	<b>2,711 units</b>	<b>2,715 units</b>	<b>3,133 units</b>	<b>453 units</b>

<sup>1</sup>Income Groups are defined as follows: Very Low Income households earn 50%, or less, of the median household income for the area (less than \$19,682 in 1989), Low Income households earn 50% to 80% of the median (less than \$31,491 in 1989), Moderate Income households earn 80% to 120% of the median (less than \$47,239 in 1989), and Above Moderate Income households earn more than 120% of the median (more than \$47,237 in 1989). The median household income in Concord in 1989 was \$39,364.

Actual housing development for 1985-1990 exceeded the adopted goal by 15% with 3,133 units constructed. In addition, 453 housing units in the City received maintenance, preservation and improvement assistance. The housing goals adopted for 1985-1990 were not achieved for all economic groups. An assessment of the 1985-1990 housing program of the City is contained in Chapter IV of this draft.

The following housing goals are recommended for the City of Concord for 1988-1995. These goals are identical to the ABAG existing and projected housing needs for the period 1988-1995. Actual production for 1988 and 1989 (731 units) have not been subtracted from these figures.

**Table 2. PROJECTED HOUSING NEEDS 1988-1995, City of Concord**

<u>INCOME GROUP</u>	<u>PROJECTED HOUSING NEED</u>
Very Low Income Households	785 units
Low Income Households	628
Moderate Income Households	824
Above Moderate Income Households	<u>1,686</u>
<b>TOTAL:</b>	<b>3,923 units needed 1988-1995</b>

These recommended goals do not require the construction of new housing units affordable to each income group. A net increase of units affordable to each of the four income groups should, however, be attained by 1995. Chapter V of this draft contains the Housing Element goals, policies, quantified objectives and programs recommended to meet the 1990-1995 projected housing need.

Other findings of this draft report include:

- Concord has special housing needs for the following groups: Seniors, Female-headed households, First-time homebuyers, Upper-income households, the Disabled, and the Homeless.
- The jobs/housing balance, while improving, is not resulting in an increased percentage of workers who are both living and working in Concord.
- Employment growth is exceeding the household formation rate and the population growth rate.
- The housing stock is undergoing a fundamental change with over two-thirds of all new construction occurring in attached townhome, condominium and apartment construction.
- The median sales price of a home in Concord increased 76% over the past ten years (1979-1989).
- The median household income in Concord increased 78% over the past ten years (1979-1989).
- An estimated 9,207 Very Low Income and Low Income households, representing over 23,000 city residents are overpaying (paying more than 25% of their income) for housing.
- Concord could accommodate approximately 5,400 additional housing units under current zoning and vacant lands. While housing needs may be met over the next five years, Concord is depleting its supply of vacant land. In ten years, few vacant parcels will remain for residential development.

## I. INTRODUCTION

The Housing Element of the General Plan is concerned with the availability and affordability of housing for all economic segments of the community. Contained in this Element is an analysis of existing and projected housing needs (Chapter II), an inventory of resources and constraints relevant to meeting those needs (Chapter III), an assessment of the 1985-1990 Housing Element (Chapter IV), and the goals, policies, and quantified objectives of the City of Concord for the provision of housing (Chapter V).

Chapter V contains a five-year schedule of programs which address:

1. Identification of sites which will be made available through appropriate zoning and development standards with the public services and facilities needed to encourage the development of a variety of housing types for all income levels;
2. Assistance in the development of adequate low and moderate income housing;
3. The removal, where appropriate and legally possible, of governmental constraints to the maintenance, improvement, and development of housing;
4. Conservation and improvement of the existing affordable housing stock;
5. Promotion of housing opportunities for all persons regardless of race, religion, age, sex, marital status, national origin, or color, and;
6. Identification of the agencies and officials responsible for the implementation of the various actions of the schedule and the means by which consistency will be achieved with other General Plan elements.

This Housing Element, based on an active public participation program, is an important tool in accomplishing the goal of attaining decent housing and a suitable living environment for every Concord household.

## COMMUNITY PARTICIPATION

On May 9, 1990, 209 copies of the draft Housing Element were mailed to individuals, organizations and agencies concerned with Concord housing issues. These groups and persons represent a wide range of interests including, but not limited to, social service providers, senior population, neighborhood groups, the development community, environmental groups, and the media. Presentations on the Housing Element were given by City staff to social service providers at a workshop sponsored by Shelter, Inc., to the Contra Costa Council, the Contra Costa County Airport Land Use Commission, the Human Relations Commission of the City of Concord, the City Urban Resources Commission and the City Design Review Board. Planning Commission meetings began in May 1990. The City Council adopted the Housing Element on October 30, 1990. In addition to the presentations to community organizations conducted by City staff on the draft Housing Element, nine public hearings were conducted at the Planning Commission and City Council. To order a copy of the Housing Element please call (415) 671-3152 or write to: Planning Division, 1950 Parkside Drive, Concord, CA 94519. The cost is \$7.50 if mailed, \$5.00 if picked up (subject to change without notice).

## II. EXISTING AND PROJECTED HOUSING NEED

### POPULATION AND EMPLOYMENT

#### POPULATION TRENDS

The City of Concord's population increased 0.7% per year for the period 1980-1989. An additional 6,339 individuals were added to the population, which grew from 103,763 in 1980 to 110,102 in 1989, a nine-year increase of 6.11% (Table 3).<sup>1</sup> This growth occurred mostly in the mid-part of the decade with the largest growth registered in 1984 and 1986. Concord has experienced a decreasing rate of population growth each year since 1986. In contrast, the County of Contra Costa, in which Concord is the largest city, was the most rapidly growing of the nine Bay Area counties for the period 1980-1988.<sup>2</sup> The County added 119,147 persons from 1980 to 1989, an increase of 18.15%. While Concord has experienced a decreasing rate of population growth each year since 1986, the County's rate of growth has increased each year since 1984, achieving a decade high one-year increase of 2.7% from 1988 to 1989. The most rapidly growing area in the County has been the Antioch-Brentwood-Clayton area east of Concord which experienced growth rates of 21.4%, 31% and 46%, respectively, for 1985-1989. Concord's growth for the same five-year period was 4.1%.

Table 3. POPULATION 1980-1989, City of Concord and Contra Costa County

YEAR	CITY OF CONCORD			CONTRA COSTA COUNTY		
	POPULATION	INCREASE	PERCENT INCREASE	POPULATION	INCREASE	PERCENT INCREASE
1980	103,763			656,331		
1981	103,798	35	.03	663,281	6,950	1.0
1982	103,555	-243	-.23	673,906	10,625	1.6
1983	104,139	584	.56	685,861	11,955	1.7
1984	105,353	1,214	1.2	696,246	10,385	1.5
1985	105,717	364	.35	707,340	11,094	1.6
1986	107,533	1,816	1.7	721,886	14,546	2.1
1987	108,554	1,021	.95	737,603	15,717	2.2
1988	109,355	801	.74	755,202	17,599	2.4
1989	110,102	747	.68	775,478	20,276	2.7
Totals	6,339	6.11 %		119,147	18.15%	

Source: Demographic Research Unit, Department of Finance, State of California and 1980 Federal Census.

Concord's slow rate of population growth in the decade of the 1980's has not been accompanied by a slow rate of housing construction. Total housing units in the City of Concord increased from 39,166 in 1980 to 43,868 in 1989, an increase of 4,702 units<sup>3</sup> or 12%. However, due to an overall declining household size and the type of housing units added, Concord's population growth has not reflected it's

<sup>1</sup>1980 to 1989 the City of Concord annexed 347 acres of low-density residential land which was mostly vacant and added negligible population growth.

<sup>2</sup>Annual Planning Information, Contra Costa County, published by the Employment Development Department, Health and Welfare Agency, State of California, June 1989, page 3.

<sup>3</sup>Does not include group quarter housing units which increased from 956 in 1980 to 1,049 in 1989. Group quarter housing includes nursing homes, convents, monasteries, and facilities for the mentally and physically disabled.

housing growth. The person per household ratio (pph) in Concord declined from 2.68 persons per household in 1980 to 2.54 pph in 1989, a 5.37% contraction. This decline has occurred in all housing types (Table 4). In addition, 69% of all new units constructed since 1980 in Concord have been townhouse, condominium or apartment units. This is a surprising percentage when compared to the mix of housing units in 1980 when townhouse, condominium and apartment units comprised only 34% of the total housing stock. These units, which carry a lower person per household average, have contributed to Concord's slowing population growth rate. If Concord's housing unit mix and person per household ratios had maintained 1980 levels, the 1989 population of the City would be over 120,000<sup>4</sup>. The changing housing mix has contributed to 46% of the difference between what Concord's population would have been had 1980 conditions continued through 1989 (a projected population of over 120,000) and the current 1989 population of 110,102. The declining person per household ratio accounts for 54% of this difference.

Table 4. PERSONS PER HOUSEHOLD BY HOUSING TYPE, City of Concord 1980 and 1989

<u>HOUSING TYPE</u>		1980 PERSONS PER <u>HOUSEHOLD</u>	1989 PERSONS PER <u>HOUSEHOLD</u>	PERCENT DECREASE
Single-Family Detached		3.128	2.978	- 4.8
Single-Family Attached		2.289	2.151	- 6.0
Multi-Family	2-4 Units	2.236	2.131	- 4.7
	5+ Units	1.879	1.825	- 2.9
Mobile Home		1.702	1.617	- 5.0
Group Quarter		<u>1.000</u>	<u>1.000</u>	<u>Unc.</u>
Totals		2.684 Av	2.540 Av	-5.37 Av

Source: Demographic Research Unit, Department of Finance, State of California and 1980 Federal Census.

Table 5. NEW HOUSING CONSTRUCTION BY HOUSING TYPE, City of Concord 1980-1989

<u>HOUSING TYPE</u>	1980	1989	NET CONSTRUCTION 1980 - 1989	% OF TOTAL CONSTRUCTION 1980 - 1989
Single-Family Detached	24,285	25,764	1,479	31
Single-Family Attached	1,481	3,038	1,557	33
Multi-Family	2-4 Units	2,320	2,607	287
	5+ Units	9,631	11,021	1,390
Mobile Home	<u>1,449</u>	<u>1,438</u>	<u>-11</u>	n/a
Total Units	39,166	43,868	4,702	100

Source: City of Concord Planning Division and 1980 Federal Census.

<sup>4</sup>This calculation includes Concord's January 1, 1989 vacancy rate of 2.94% calculated by the Demographic Research Unit, Department of Finance, State of California.

Table 6. HOUSING STOCK BY HOUSING TYPE, City of Concord 1980 - 1989

<u>HOUSING TYPE</u>	<u>1980</u>	<u>% OF TOTAL</u>	<u>1989</u>	<u>% OF TOTAL</u>
Single-Family Detached	24,285	62.1	25,764	58.8
Single-Family Attached	1,481	3.8	3,038	6.9
Multi-Family	2-4 Units	5.9	2,607	5.9
	5+ Units	24.6	11,021	25.1
Mobile Home	<u>1,449</u>	<u>3.7</u>	<u>1,438</u>	<u>3.3</u>
Total Units	39,166	100	43,868	100

Source: City of Concord Planning Division. Does not include Group Quarter housing units which comprised 956 units in 1980 and 1,049 units in 1989.

The declining household sizes across all housing types and the preponderance of new construction of attached single-family housing (townhomes, patio homes, and duets), condominiums and apartments indicates that Concord's population is shifting towards people who prefer this housing or who are economically forced into rental and owned housing that is not a single family detached home. This changing face of the population in the 1980's is comprised of empty nesters (families whose children have left home), young professionals, couples who are delaying the decision to start a family, a larger senior population and households of all types who are finding it difficult to locate affordable housing in the City of Concord.

Regionally, the housing type of choice for those who are raising a family and for couples who have not yet started their family is the single-family detached home. According to the National Association of Homebuilders 1989 Consumer Preference Survey<sup>5</sup>, which interviewed 2,025 prospective homebuyers, 45%, the largest group, were couples with children while 38% were couples without children. Couples with children comprised the strongest demand for single-family detached housing, with 92.5% of this group considering the purchase of a single-family detached home. Only 20% of this group would consider a townhouse, condominium or other form of attached single-family home ownership. Of couples without children, 83% would consider a detached home and a much larger percentage, 41%, would also consider an attached home. Singles, who comprised 17% of the survey, preferred or were economically reconciled to the choice of attached housing. In this group, 80% were considering the purchase of a townhouse, condominium or other form of attached housing, while 64% would also consider purchasing a single-family detached home. Incomes varied considerably between these groups with the annual household income of couples with children topping \$61,100; couples without children at \$65,700; and singles earning a third less, at \$43,800 annually.

In the Concord area, to secure the housing of choice at an affordable cost, homebuyers are locating in outlying communities such as Antioch, Brentwood, Oakley, Tracy and Byron where land is available for single family housing and where housing costs, as a consequence, are lower than for comparable housing in Concord. Concord, with its large share of townhomes, condominiums and apartments relative to other communities in the region, acts as a reservoir, satisfying a need which is generated both within and outside its borders for this type of housing.

<sup>5</sup>"Builder" - Published by the National Association of Homebuilders, November 1989, pp 54-63

Concord's population growth rate is expected to increase in the 1990's and the person per household ratio is projected to continue its decline. These factors will lead to an increased pace of household formation and accelerated housing demand into the next century (Tables 7, 8, and 9). Household formation is projected to outpace population growth each year for the next fifteen years.

**Table 7. POPULATION PROJECTIONS, City of Concord 1990-2005**

	<u>1990</u>	<u>1995</u>		<u>2000</u>		<u>2005</u>
City of Concord	112,400	117,900	+ 4.9%	123,400	+ 4.7%	123,800 + .3%

Source: ABAG Projections 1990, page 124.

**Table 8. PERSON PER HOUSEHOLD PROJECTIONS, City of Concord 1990-2005**

	<u>1990</u>	<u>1995</u>		<u>2000</u>		<u>2005</u>
City of Concord	2.52	2.50	- .8%	2.44	- 2.4%	2.43 - .4%

Source: ABAG Projections 1990, page 126.

**Table 9. HOUSEHOLD FORMATION PROJECTIONS, City of Concord 1990-2005**

	<u>1990</u>	<u>1995</u>		<u>2000</u>		<u>2005</u>
City of Concord	44,150	46,540	+ 5.4%	49,880	+ 7.2%	50,300 + .8%

Source: ABAG Projections 1990, page 127.

## AGE

In a relatively short period of time, Concord's population has aged considerably. In 1980, 50.06% of the population was less than 30 years old. By 1989, this percentage had dropped to 42.98%. Concord's median age jumped by 3.29 years from a 1980 median age of 30.58 years to 33.87 years in 1989 (Table 10). The school aged population (age groups 5 to 9 years, 10 to 14 years, and 15 to 19 years) decreased by 18% from 1980 to 1989. One sub-group in this bracket, the 5 to 9 year old category, increased its share of the total population by 1.2%. In terms of change by sub-group for 1980-1989, the 65 to 74 year subgroup experienced the largest change, growing by 39%. This subgroup increased from 5% to 7% of the population in only nine years. The total senior population (65 years and older) increased from 8.12% of the population in 1980, to 10.43% in 1989. The next age group, ages 60 to 64, also increased from 3.95% to 4.62% of the total population.

The second most rapid change occurred in the 15 to 19 years group which shrank by 30%. One other change, with significant impacts on the housing market, was the increase in the "home-buying" aged population, 35 to 44 years, which increased from 12.71% of the population in 1980 to 16.51% in 1989. Assuming approximately 65% of the 35 to 44 year olds are couples with or without children and 35% are either single, or single head of household<sup>6</sup> (male or female), approximately 3,000 households entered the prime home-buying age population from 1980 to 1989. The need for senior housing also increased significantly during this time frame.

<sup>6</sup>Estimates based on 1980 Federal Census data.

Table 10. POPULATION BY AGE GROUP, City of Concord<sup>7</sup> 1980 and 1989

POPULATION BY AGE			1980 % OF POPULATION	1989 % OF POPULATION	% CHANGE	DEGREE OF CHANGE <sup>1</sup> BY RANK (1-13)
Under 5	5	Years	6.64	6.19	- 6.7	11
5 to 9	9	Years	6.49	6.57	+ 1.2	13
10 to 14	14	Years	7.59	6.08	- 19.9	4
15 to 19	19	Years	9.40	6.58	- 30.0	2
20 to 24	24	Years	9.99	8.31	- 16.8	7
25 to 29	29	Years	9.95	9.25	- 7.0	10
30 to 34	34	Years	8.98	9.84	+ 9.6	9
35 to 44	44	Years	12.71	16.51	+ 29.9	3
45 to 54	54	Years	10.66	11.04	+ 3.6	12
55 to 59	59	Years	5.52	4.58	- 17.0	5
60 to 64	64	Years	3.95	4.62	+ 17.0	6
65 to 74	74	Years	4.98	6.92	+ 39.0	1
75 and Over	Over	Years	3.14	3.51	+ 11.8	8
Median Age			30.58	33.87	+ 3.29 Years	
Average Age			33.27	35.58	+ 2.31 Years	

<sup>1</sup>Population subgroups are ranked by degree of change with the greatest change over the period ranked 1st and the subgroup with the last change ranked 13th.

Source: National Decision Systems

## ETHNICITY

In 1980, the City of Concord's population was 83.2% White. The only change in the ethnicity of Concord's population believed to be significant since 1980 is an increase in the Asian population. The evidence for this is seen in increased school enrollments. No specific estimates for a change in the ethnic distribution of the population have been made.

<sup>7</sup>Study area includes 3 mile radius from downtown Concord, which excludes some portions of east Concord and includes portions of Pleasant Hill.

**Table 11. ETHNIC COMPOSITION OF THE POPULATION, City of Concord 1980**

<b>WHITE</b>	86,069	83.2%
<b>SPANISH SURNAME</b>	7,409	7.2%
<b>BLACK</b>	1,722	1.7%
<b>AMERICAN INDIAN, ESKIMO, AND ALEUT:</b>	571	.6%
American Indian	554	
Eskimo	13	
Aleut	4	
<b>ASIAN AND PACIFIC ISLANDER:</b>	4,639	4.5%
Japanese	786	
Chinese	1,335	
Filipino	1,356	
Korean	253	
Asian Indian	480	
Vietnamese	261	
Hawaiian	101	
Guamanian	57	
Samoan	10	
<b>OTHER:</b>	<u>2,845</u>	<u>2.8%</u>

Source: 1980 Federal Census.

## GENDER

The gender balance in Concord's population remained essentially unchanged from 1980 to 1989, shifting slightly to a higher percentage of males.

**Table 12. POPULATION BY GENDER, City of Concord 1980 and 1989**

	<u>1980</u>	<u>1989</u>
Male	48.63%	48.81%
Female	51.37%	51.19%

Source: National Decision Systems.

The changes in the age structure of the female population generally followed that of the population as a whole, with the exception that aging in the female population was more pronounced. The female median age increased by 5.19 years compared to 3.29 years for the total population.

Table 13. FEMALE POPULATION BY AGE GROUP, City of Concord 1980 and 1989

POPULATION BY AGE			1980 % OF POPULATION	1989 % OF POPULATION	% CHANGE	DEGREE OF CHANGE <sup>1</sup> BY RANK (1-13)
Under 5 Years	5 to 9 Years	10 to 14 Years	6.34	5.91	- 6.8	10
15 to 19 Years	20 to 24 Years	25 to 29 Years	6.09	6.28	+ 3.1	13
30 to 34 Years	35 to 44 Years	45 to 54 Years	7.31	5.80	- 20.7	4
55 to 59 Years	60 to 64 Years	65 to 74 Years	9.35	6.36	- 32.0	2
75 and Over			9.69	8.14	- 16.0	7
			9.55	8.88	- 7.0	9
			8.81	9.83	+ 11.6	8
			12.69	16.33	+ 28.7	3
			10.71	11.14	+ 4.0	12
			5.59	4.65	- 16.8	6
			4.07	4.82	+ 18.4	5
			5.59	7.39	+ 32.2	1
			4.21	4.47	+ 6.2	11
Median Age			29.51	34.70	+ 5.19 Years	

Source: National Decision Systems

## EMPLOYMENT TRENDS

Concord's slow population growth has not been accompanied by a slow rate of employment growth. According to the Association of Bay Area Governments (ABAG) publication Projections 1990, Concord's total employment of 33,912 in 1980 will increase to 59,890 by 1990 for an increase of 25,978 jobs or 76%. Provided these projections are accurate, employment growth was twelve times the rate of population growth for the period.

Table 14. PROJECTED TOTAL EMPLOYMENT 1980-2005, City of Concord and Contra Costa County

	1980	1985	1990	1995	2000	2005
City of Concord	33,912	43,220 +27%	59,890 +39%	66,450 +11%	69,410 +4%	74,090 +7%
Contra Costa County	201,237	232,510 +16%	292,700 +26%	334,710 +14%	361,870 +8%	389,440 +8%

Source: ABAG Projections 1990, page 129.

The City of Concord is expected to outpace the County of Contra Costa in near-term job growth, increasing employment by 39% for 1985-1990, compared to a County projected gain of 26%. While representing only 15% of the County's population, the City of Concord is projected to capture 28% of the employment growth in the County for 1985-1990. Looking ahead to 1990-1995, Concord's employment expansion is projected to slow considerably to 11% for the five year period. For 1990-2005, the County as a whole is expected to outpace Concord in employment growth (Table 14).

Employment growth in Concord is occurring primarily in the services and retail sectors of the economy. According to an analysis of Contra Costa County's economy by the Employment Development Department of the State of California published in June 1989<sup>8</sup> services will account for over half of the County's expected job growth in 1989 and 1990, with business services constituting, "the largest and

<sup>8</sup>Op.Cit., Annual Planning Information, Contra Costa County.

most rapidly growing segment of the services division.<sup>9</sup> Business services include temporary help services and employment agencies, computer and data processing services, consultants, public relations firms and research and development labs, protective services, janitorial services, equipment rental and leasing and other business services. Health services, the recreation industry, child care centers, the hotel industry, legal services, engineering research, architectural and accounting services are expected to grow significantly as major firms in San Francisco and Oakland continue to open offices in the County and as others expand in response to Contra Costa's large corporate presence. These jobs will encompass many highly paid professional, technical, and managerial positions and low-paying part-time jobs as well.

The second fastest growing sector in the County, retail trade, will be fueled by significant population growth, the affluence of residents, and sharp increases in the number of people working in the County. Concord, with a regional location at the crossroads of three freeways, proximity to rapid residential expansion in the Antioch, Brentwood, Clayton and other East County communities, and with a supply of commercial office and industrial land, is experiencing numerous major development projects which are in various stages of planning, project approval and construction. These projects include a 110,000 square foot Price Club which recently opened its doors and a 102,000 square foot Home Depot in the planning stages for the west Concord area. A cinema project, with 154 luxury apartments is in the design stage for the downtown, as is a 364 unit apartment project adjacent to the Concord BART Station. At Willow Pass Road and Highway 24 in west Concord, a 437,000 square foot, ten-story twin tower office project, the Metroplex, is in the permit processing stage of development.

The private sector through these and other numerous development projects is confirming Concord as an employment generator for the 1990's. This pace of development presents a challenge to the citizens of Concord and to its housing stock. These challenges include preserving the quality and integrity of existing neighborhoods, managing traffic impacts, and providing a mix of all housing types and affordability levels to serve the needs of existing and future Concord residents. To contribute to an efficient, healthy and environmentally sensitive regional economy, Concord will need to improve the jobs/housing balance, that is, the provision of housing to match the needs of Concord's work force.

## JOB/HOUSING BALANCE

The influx of jobs to Concord will have a positive effect on the ratio of total employment to resident employment. Total employment is the number of jobs that exist in Concord. Resident employment is the number of jobs Concord residents hold, whether these jobs are located within, or outside, Concord's borders. When Total employment is equal to Resident employment, a community's jobs/housing balance is 1.0. In theory, a region's transportation network will work more efficiently if the cities in a region hold a jobs/housing balance of 1.0. This balance, it is believed, would reduce city-to-city commuting.

The benefits to a city and to a region from a jobs/housing balance of 1.0 could include improved air quality, less congested freeways, reduced fuel consumption, reduced expenditures on major transportation projects, reduced environmental and social impacts associated with these projects, a labor supply more closely matched to local employment needs, and economic savings to businesses and individuals through savings in travel time.

Concord's jobs/housing balance has improved since 1970 and is projected to continue to improve through the planning period which extends to 2005:

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<sup>9</sup>Ibid, page 10.

Table 15. JOBS/HOUSING BALANCE, City of Concord 1970-2005

YEAR	TOTAL JOBS	EMPLOYED RESIDENTS	JOBS/HOUSING BALANCE
1970	18,584	31,886	.58
1980	33,912	53,403	.64
1985	43,220	57,000	.76
1990	59,890	62,700	.96
1995	66,450	67,900	.98
2000	69,410	72,800	.95
2005	74,090	72,900	1.02

Source: ABAG Projections 1990, pages 128 and 129. Figures in Table 13 approximate, but do not match, figures in Tables 14 and 15 for 1980.

A 1.0 jobs/housing balance does not guarantee improvement in reducing commute trips and matching housing to the needs of a community's workforce. Cities can continue to exchange workers regardless of a one-to-one correlation of employed residents to total jobs. Historically, Concord has been a bedroom community exporting workers to job rich communities. Now that the City is rapidly gaining jobs, Concord's new workers are not meeting their housing needs in Concord. Tables 16, 17, and 18 place percentages on this inability of Concord's workers to find housing within the City.

Table 16. COMMUTE PATTERNS OF CONCORD'S EMPLOYED RESIDENTS, City of Concord 1970-1980

WHERE CONCORD RESIDENTS WORK:	1970			1980		
	NUMBER	PERCENT		NUMBER	PERCENT	
SMSA	29,325	92		45,038	88	
Alameda County	4,493	14	14%	6,710	13	13%
Berkeley	881	3		1,033	2	
Oakland	2,166	7		3,590	7	
Contra Costa County	21,719	68	68%	31,382	61	61%
Concord	8,975	28		14,738	29	
Pleasant Hill	n/a	n/a		2,391	5	
Walnut Creek	n/a	n/a		6,314	12	
Marin County	33	0		70	0	
San Francisco County	2,877	9	9%	6,245	12	12%
San Mateo County	203	1	1%	631	1	1%
Outside SMSA	940	3	3%	1,496	3	3%
Solano County	415	1		644	1	
Other	1,621	5	5%	4,726	9	9%
Total Employed Residents	31,886		100%	51,260		100%

Source: 1980 Census

Table 16 establishes the location of jobs which Concord residents hold. For example, in 1970, 203 Concord residents held jobs in San Mateo County. By 1980, 631 Concord residents were employed

in San Mateo County, reflecting a national trend towards longer commutes.<sup>10</sup> Total employed residents in Concord increased from 31,886 in 1970 to 51,260 in 1980, a 61% increase. Job growth in Concord, however, was 89% for the period with many of these new workers being unable, or not choosing, to live in Concord. The net effect was a reduction in the percentage of jobs in Concord held by Concord residents from 48% in 1970 to 42% in 1980 (Table 17). It appears that two segments of the market that are active when job growth is present, first-time homebuyers and upper income households, are not being satisfied in Concord. Concord is producing few affordable single family homes and, relative to the entire housing stock, few executive homes. Concord is achieving an adequate production of mid-priced single family homes and townhomes.

Table 17. RESIDENCE LOCATION OF CONCORD'S WORKFORCE, City of Concord 1970-1980

WHERE CONCORD EMPLOYEES RESIDE	1970		1980	
	NUMBER	PERCENT	NUMBER	PERCENT
SMSA	17,883	9	32,807	94
Alameda County	788	4	1,406	4
Berkeley	84	0	225	1
Oakland	340	2	468	1
Contra Costa County	16,994	91	30,925	88
Concord	8,975	48	14,738	42
Pleasant Hill	n/a	n/a	1,966	6
Walnut Creek	n/a	n/a	2,046	6
Marin County	23	0	60	0
San Francisco County	48	0	330	1
San Mateo County	30	0	86	0
Outside SMSA	701	4	2,264	6
Solano County	374	2	1,646	5
Total Jobs in Concord	18,584	99%	35,071	99%

Source: 1980 Census

Table 18 presents the disturbing results of a 1989 survey of major employers in the City of Concord. This data represents approximately 15% of Concord's workforce. It is not comparable to Census data in Table 17. This survey, which is statistically significant, found only 23.4% of Concord's job's held by residents of the City.

<sup>10</sup>For the nation, work trips made wholly within suburbs increased in length by 15% in the 70's. From 1977 to 1983, the mean journey to work (to all locations) for suburban Americans increased from 10.6 miles in length to 11.1 miles, "despite the mass migration of jobs to the suburbs during this period," cited in The Journal of the American Planning Association, "Jobs-Housing Balancing and Regional Mobility," pp. 136-50, Volume 55, Number 2, page 136.

**Table 18. RESIDENCE LOCATION OF CONCORD'S WORKFORCE, City of Concord 1989**

WHERE CONCORD EMPLOYEES RESIDE	NUMBER	PERCENT
Antioch	549	7.3
Concord	1,757	23.4
Martinez	445	5.9
Pittsburg	531	7.1
Pleasant Hill	421	5.6
Walnut Creek	530	7.1
Other	3,227	<u>43.6</u>
		100.0 %

Source: City of Concord TSM Survey, 1989.

### INCOME AND HOUSING AFFORDABILITY ANALYSIS

#### **CHANGES IN THE INCOME STRUCTURE**

An adequate supply of affordable housing, including rental and owned housing, is essential to satisfying the housing needs of all economic segments of Concord's existing and projected population. When housing affordability erodes, many residents experience direct negative affects. Those on fixed incomes are not able to keep up with rising rents. Purchasers of new homes take to the freeways in search of affordable housing at the fringe of the urban area. Stepping up to better housing is postponed or deferred for many prospective home buyers and housing budgets are increasingly devoted to the mortgage or rent payment. Overcrowding may increase as people turn to sharing homes and apartments to reduce monthly costs. Employers experience difficulty in attracting and retaining qualified employees as housing costs escalate. Typically, those on the lower end of the household income scale both pay a larger percentage of their income for housing and rent housing.

By 1989, the percentage of all households in Concord earning less than 80% of the City's median income exceeded 40% (Table 19 low and very low income categories combined). The most notable figure in Table 19 is the +7.1% increase in the very low income category. Households with very low incomes earn 50%, or less, of the median household income for the City. This group was the only income range to become more numerous in relation to the total population. All other groups, in fact, experienced a contraction.

**Table 19. HOUSEHOLD INCOME BY INCOME RANGE, City of Concord 1979 and 1989**

<u>INCOME</u>	<u>1979</u>	<u>1989</u>	<u>% INCREASE/DECREASE</u>
Above Moderate	37.74%	37.59%	- 0.3%
Moderate	22.90%	21.89%	- 4.4%
Low	17.27%	16.86%	- 2.3%
Very Low	22.09%	23.66%	+ 7.1%

**DEFINITIONS:**

Above Moderate Income: Over 120 percent of median income  
 Moderate Income: 81 percent to 120 percent of median income  
 Low Income: 51 percent to 80 percent of median income  
 Very Low Income: 50 percent, or less, of median income

1979 Median Income: \$ 22,109  
 1989 Median Income: \$ 39,364

NOTE: Data for 1979-1989 changes in income noted above for the four income groups is based on a three mile radius from the intersection of Willow Pass Road and Galindo Street. Portions of Pleasant Hill and Walnut Creek are included in this data.

Source: National Decision Systems and 1980 Federal Census.

Median income figures do not give a good picture as to what is occurring across the range of incomes. The median is the midpoint at which an equal number of households are earning more than, and less than, the median. The range above or below the median can be evenly distributed, clustered at the low end, or "top-heavy". There is evidence to indicate the income structure is becoming more "stretched out" than it has been in the past, with a larger percentage of households in the very low and very high ranges and fewer households in the middle. This is indicated in Table 20 where the largest increase in income from 1979 to 1989 occurred in the \$75,000+ group while at the same time the very low income households increased their share by 7.1% relative to the other income groups (Table 19). Although many households are earning high incomes, a greater number are earning less than half the median income. This trend is not isolated to Concord. A recent report on the nation's housing, "Demographics in the U.S., The Segmenting of Housing Demand," published by the National Association of Realtors made the same finding. The study found real incomes for families in the highest-earning quintile (one-fifth) of the population rising by more than 29.0% between 1970 and 1986, while real incomes for families in the lowest earning quintile rising by only 9.0%. These findings are echoed in a congressional Joint Economic Committee report released in January 1990. The report noted that in 1988, the last year for which data are available, the wealthiest 40% of all U.S. families received 68% of all family income, up from 65.8% in 1979. By contrast, the poorest 40% of families received 15.3% of all income compared with 16.8% in 1979. "This disparity in income shares is the largest since 1947, when we first began to keep the statistics", the report noted<sup>11</sup>.

<sup>11</sup>"Gap between Rich, Poor, Widens", San Francisco Examiner and Chronicle, January 7 or 14, 1990

Table 20. HOUSEHOLD INCOME, City of Concord, 1979 and 1989.

	<u>INCOME RANGE</u>	<u>1979</u>	<u>1989</u>
\$75,000 +		.88%	11.14%
50,000 to	\$74,999	3.63%	22.59%
35,000 to	49,999	14.69%	20.72%
25,000 to	34,999	21.89%	14.29%
15,000 to	24,999	26.73%	14.28%
7,500 to	14,999	19.18%	9.95%
Under	7,500	<u>13.00%</u>	<u>7.04%</u>
		100.00%	100.01%

1979 Median Household Income: \$ 22,109  
 1989 Estimated Median Household Income: \$ 39,364

Source: National Decision Systems and 1980 Federal Census.

### RATE OF INCOME GROWTH

Per capita income increased substantially for Contra Costa residents in the period 1980 to 1987. In terms of per capita income, the County is one of the wealthiest counties in the state. In 1980, Contra Costa County held the fifth highest rank of 58 counties. By 1989, Contra Costa County advanced to the fourth position:

Table 21. TOP FIVE PER CAPITA INCOMES BY COUNTY IN CALIFORNIA 1980 and 1987.

<u>RANK</u>	<u>COUNTY</u>	<u>1980</u>	<u>RANK</u>	<u>COUNTY</u>	<u>1987</u>
		<u>PER CAPITA INCOME</u>			<u>PER CAPITA INCOME</u>
1	* Marin	\$17,098	1	* Marin	\$30,181
2	* San Mateo	14,614	2	* San Mateo	24,237
3	* San Francisco	14,382	3	* San Francisco	23,174
4	Colusa	13,856	4	* Contra Costa	21,737
5	* Contra Costa	13,332	5	* Santa Clara	21,510

\* Bay Area County

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Bay Area counties dominated the top ten per capita income rankings in California in 1987 holding eight of ten positions:

Table 22. TOP FIFTEEN PER CAPITA INCOMES BY COUNTY IN CALIFORNIA 1987

<u>RANK</u>	<u>COUNTY</u>	<u>PER CAPITA INCOME</u>
1	* Marin	\$30,181
2	* San Mateo	24,237
3	* San Francisco	23,174
4	* Contra Costa	21,737
5	* Santa Clara	21,510
6	Orange	21,444
7	Santa Barbara	18,909
8	* Alameda	18,774
9	* Sonoma	18,510
10	* Napa	18,476
11	Ventura	18,133
12	Los Angeles	17,863
13	Placer	17,399
14	San Diego	16,633
15	Sacramento	16,238

\*Bay Area County

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

In terms of per capita income growth, eight Bay Area counties occupied positions in the twelve fastest income growth counties in the state for the period 1980-87:

Table 23. PER CAPITA INCOME GROWTH BY COUNTY IN CALIFORNIA 1980-1987.

<u>RANK</u>	<u>COUNTY</u>	<u>PER CAPITA INCOME</u>		<u>RATE OF GROWTH 1980-1987</u>
		<u>1980</u>	<u>1987</u>	
1	* Marin	\$17,098	\$30,181	76.51%
2	Alpine	8,263	14,220	72.09
3	* San Mateo	14,614	24,237	65.58
4	* Santa Clara	13,004	21,510	65.41
5	Orange	13,057	21,444	64.23
6	* Contra Costa	13,332	21,737	63.04
7	* Sonoma	11,375	18,510	62.73
8	Ventura	11,152	18,133	62.60
9	* San Francisco	14,382	23,174	61.13
10	* Napa	11,531	18,476	60.23
11	Santa Barbara	11,879	18,909	59.18
12	* Alameda	11,796	18,774	59.16
13	Santa Cruz	11,022	17,507	58.84
14	San Luis Obispo	9,199	14,529	57.94
15	Placer	11,049	17,399	57.47

\* Bay Area County

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The average per capita income growth in the Bay Area was 64.22% for 1980-87. In the City of Concord, per capita income increased 88% from 1979 to 1989, while the median household income

increased at the reduced rate of 78%<sup>12</sup>. Comparatively, the Consumer Price Index increased by 41% for Bay Area Urban Wage Earners and Clerical Workers for the period 1980-87.<sup>13</sup>

Increased incomes in the Bay Area placed an upward pressure on housing prices over the decade. The median home price in the Bay Area increased from \$98,100 in 1979 to \$257,535 in December 1989, or 162%.<sup>14</sup> During the same period, the median home price in Concord increased 76% from \$90,900 in 1979 to \$160,000 in 1989.

## HOUSING COSTS

In Concord, home prices for detached single family homes increased from an average \$109,823 in 1982 to \$189,362 in 1989 for a net increase of 72.42% (Table 24). The largest single year increase occurred in 1989 with a 21% rise in the average sales price. Townhome and condominium prices remained virtually flat for the period. The greatest single-year increase in condominium and townhome prices took place in 1989 with an increase of 6.3%. The net increase for 1982-89 was only 7.38% for this housing type. Striking in the figures in Table 24 is the difference in average home prices and price appreciation rates between the single-family and townhome/condominium markets. Single family homes surpassed townhomes and condominiums in appreciation 9 to 1 for the period.

Table 24. AVERAGE HOME SALES PRICE, City of Concord, 1982 to 1989.

	<u>SINGLE FAMILY HOME</u>		<u>TOWNHOME/CONDOMINIUM</u>	
	AVERAGE SALES PRICE	ANNUAL APPRECIATION RATE	AVERAGE SALES PRICE	ANNUAL APPRECIATION RATE
1982	\$109,823		\$78,735	
1983	113,399	3.3%	78,554	- .2%
1984	114,769	1.2	73,483	- 6.4
1985	123,219	7.3	76,526	4.1
1986	131,374	6.6	79,238	3.5
1987	141,498	7.7	80,051	1
1988	156,038	10.2	79,478	- .7
1989	189,362	<u>21.4%</u>	84,546	<u>6.3%</u>
Net Increase:		72.42%		7.4%

Source: Contra Costa County Board of Realtors.

Two events are creating interest in higher density housing. One is the cost of single family housing and the inability of increasing numbers of buyers to afford this housing type. The other recent change in the housing market, which holds much promise for creating housing that is both affordable and attractive, is innovative design approaches to higher density housing. The City of Concord, for example, recently approved a 37 unit development on 4.6 acres which consisted of detached single family homes on 3,200 sq. ft. lots. These homes are designed with two stories each including reduced side-yards and front yards. Over 52% of the development will remain in open space and the density

<sup>12</sup> Household income increased at a lesser rate due to a household formation rate which exceeded the population growth rate.

<sup>13</sup> The San Francisco-Oakland-San Jose statistical area CPI was 81.2 in 1980 and 114.3 in 1987 for urban Wage Earners and Clerical Workers according to the U.S. Department of Labor, Bureau of Labor Statistics.

<sup>14</sup> 1980 Federal Census and California Association of Realtors.

is 16% greater than Concord's most intensive single-family zone, the R-6 (6,000 sq. ft. lot size) residential zone. The homes to be constructed include 13 homes of 1,804 sq. ft., 12 of 1,653 sq. ft. and 12 at 1,485 sq. ft. each.<sup>15</sup>

The median sales price of all homes in Concord is significantly below the median sales price of homes in surrounding communities (Table 25). This difference is due to several factors including, but not limited to, the slightly older housing stock in Concord, the higher percentage of condominiums and townhomes, and fewer executive homes. Concord's median sales price is 26% below the average of 17 communities.

**Table 25. MEDIAN SALES PRICES 1989, City of Concord and Surrounding Communities.**

<u>CITY</u>	<u>MEDIAN SALES PRICE</u>	<u>TOTAL SALES</u>
Alamo	\$ 375,500	352
Antioch	157,750	1,962
Benicia	176,650	871
Brentwood	154,400	280
Clayton	275,500	280
Clyde	172,200	47
CONCORD	160,000	2,705
Danville	327,700	1,892
Lafayette	320,000	502
Martinez	160,000	1,125
Moraga	339,900	308
Oakley	143,350	1,034
Pacheco	131,100	102
Pittsburg	125,500	1,555
Pleasant Hill	200,000	903
San Ramon	250,000	1,462
Walnut Creek	215,500	2,230
<b>\$ 216,768 Average</b>		

Source: REM Associates of Walnut Creek, printed in the January 28, 1990 edition of the Contra Costa Times.

<sup>15</sup>Pavilion Place at Clayton Road and Kirker Pass Road.

Concord's appreciation rate for single family detached and attached housing has not kept pace with average appreciation rates for these housing types in the region:

Table 26. HOUSING APPRECIATION 1982-1989, City of Concord and Surrounding Communities.

	AVERAGE SALES PRICE SINGLE FAMILY HOME <u>1982 / 1989</u>		PERCENT <u>INCREASE</u>	AVERAGE SALES PRICE TOWNHOME/CONDO <u>1982 / 1989</u>		PERCENT <u>INCREASE</u>	
	\$	/		\$	/		
Alamo	\$ 275,009	/	554,340	102	\$ 145,000	/ 191,793	32
Antioch	86,915	/	138,634	60	60,242	/ 79,024	31
Blackhawk	342,738	/	613,002	79	na	/ 287,767	na
Clayton	168,218	/	266,339	58	107,237	/ 149,483	39
CONCORD	109,823	/	189,362	72	78,735	/ 84,889	8
Danville	201,628	/	375,259	86	134,381	/ 176,511	31
Diablo	319,125	/	649,000	103	na	/ na	na
Dublin	113,653	/	255,817	125	na	/ 161,727	na
Lafayette	219,433	/	430,371	96	149,333	/ 199,783	34
Martinez <sup>1</sup>	106,713	/	192,141	80	97,983	/ 116,730	19
Moraga	212,909	/	440,601	107	149,964	/ 180,368	20
Orinda	232,779	/	461,155	98	na	/ 280,050	na
Pittsburg	76,469	/	116,268	52	59,500	/ 95,087	60
Pleasant Hill	118,364	/	231,147	95	99,781	/ 139,327	40
San Ramon	148,997	/	302,422	103	117,887	/ 155,154	32
Walnut Creek	170,481	/	309,759	82	117,695	/ 134,987	15
	87% Average			30% Average			

<sup>1</sup> In 1984, sales figures for Martinez and Pacheco were combined in one reporting unit.

Source: Contra Costa Board of Realtors.

## OVERPAYMENT

Table 27 presents the results of calculations which indicate the maximum house price affordable to the top end of Concord's very low, low, and moderate income ranges. These three ranges represent 27,610 households, or 62% of all households in Concord. The calculations assume that a household can expend 30% of its total income on a mortgage payment, that these households have no other long term debt and the mortgages are for a 30-year fixed term. The table demonstrates the effect of variations in interest rates and down payments upon affordability for these households.

Table 27. HOUSING AFFORDABILITY - OWNERSHIP, City of Concord, 1989.

<u>INCOME RANGE</u>	<u>HOUSING PAYMENT</u>	<u>10% INTEREST RATE</u>		<u>11% INTEREST RATE</u>	
		<u>MAXIMUM MONTHLY HOME PRICE 20% DOWN PMT</u>	<u>MAXIMUM HOME PRICE 10% DOWN PMT</u>	<u>MAXIMUM HOME PRICE 20% DOWN PMT</u>	<u>MAXIMUM HOME PRICE 10% DOWN PMT</u>
Moderate  (Less Than \$47,237) 9,651 Households	\$1,181	\$168,000	\$150,000	\$149,000	\$132,500
Low  (Less Than \$31,491) 7,018 Households	787	112,500	100,000	99,500	88,500
Very Low  (Less Than \$19,682) 7,896 Households	492	70,335	62,000	62,000	55,300

Source: City of Concord Planning Division.

At 10% interest rates (similar to prevailing rates), Concord's very low income households cannot afford to purchase the average townhome/condo sold in 1989 (\$84,546). Concord's low income households can afford a townhome/condo up to almost \$112,500 with a 20% down payment. No household in these three ranges can afford the average price single family home (\$189,362) without some assistance, such as equity in a current home, savings, or by paying in excess of 30% of their income for housing. Payments in excess of 30% of income for housing are considered by state and federal standards to be overpaying for housing.

The association of Bay Area Governments (ABAG) found that 2,054 lower income households in Concord were overpaying<sup>16</sup> for ownership housing in 1980<sup>17</sup>. Lower income households include those who earn up to 80% of the area's median income (Very Low Income and Low Income categories combined). Updated to 1989, approximately 2,301 lower income households who own their home are overpaying for housing in Concord. ABAG found 6,166 lower income households overpaying for rental housing in Concord in 1980. Updated to 19889, approximately 6,906 lower income households are overpaying for rental housing in Concord. Regionally about 32% of lower income households overpay for ownership housing and about 70% of lower income renter households overpay. In Concord, 46% of lower income owners overpay, while 78% of lower income renter overpay.

A rent survey conducted in January 1990 by the Bay Area Council found a Bay Area median advertised rent for a two-bedroom apartment at \$750, up from \$725 a year earlier (Table 28).<sup>18</sup> The median

<sup>16</sup> Overpaying in this analysis assumes that the payment of over 25% of income constitutes overpaying. Federal standards use the threshold of 30% of income as overpaying. HCD accepts either threshold as a valid indicator.

<sup>17</sup> Housing Needs Determination ABAG, January 1989, pages 17-18 and Appendix C.

<sup>18</sup> "North Bay Rent Rises: Regional Market Equalizes", Housing and Development Report, published by the Bay Area Council, Volume 3, No. 3, March 1990, Page 3.

advertised rent<sup>19</sup> in Contra Costa County was 25% under the Bay Area median at \$600 per month. Contra Costa holds the lowest median advertised rent for surveyed urban counties or communities. Low-end rents, however, are rising faster compared to communities surveyed.

Table 28. MEDIAN ADVERTISED RENT FOR A TWO-BEDROOM APARTMENT, Bay Area, 1989-90

	MEDIAN RENT 1/89	MEDIAN RENT 1/90	PERCENT CHANGE	LOW-END RENT <sup>1</sup> 1/89	LOW-END RENT <sup>1</sup> 1/90	PERCENT CHANGE
San Francisco	\$895	\$975	8.9%	\$740	\$765	3.4%
San Mateo Co.	825	805	- 2.4	700	725	3.6%
Marin	790	850	7.6	650	695	6.9%
San Jose	700	700	Unc.	625	625	Unc.
Oakland	625	625	Unc.	475	505	6.3%
S. Alameda	620	650	4.8	545	575	5.5%
CONTRA COSTA	575	600	4.3	495	545	10.1%
Sonoma	555	600	8.1	500	525	5.0%
Solano	450	495	10.0%	395	425	7.6%
Bay Area Median	\$725	\$750	3.4%	N/A	\$580	N/A

<sup>1</sup>Low-End rents are rents within the 10th percentile, 10% of advertised rents are lower, 90% are higher.

Source: Bay Area Council.

Table 29 estimates rental housing affordability for Concord residents. Income limits have been adjusted to reflect family sizes for occupants of one, two and three-plus bedroom apartments. Based on 1980 census data, it is generalized that 28% of renters in each income category occupy one bedroom apartments, 41% occupy two bedroom units, and 31% of all renters in each income category require three bedroom, or larger, units. A range of rents for each rental housing type is given in Table 29. The rents given are estimated to be low to average rents with the low rent representing housing which is marginal in terms of condition and location. Concord incomes are adjusted for family size in accordance with income limits published by the State Department of Housing and Community Development, February 1989.<sup>20</sup>

<sup>19</sup>Advertised rents typically are higher than contract rents which are being paid in the marketplace. For example, a 1985 study of rents in Oakland by the Center for Budget and Policy Priorities found contract rent to be, on average, 75% of the advertised rent.

<sup>20</sup>For purposes of this analysis, the income limits for two person families are applied to one bedroom rental units, income limits for three person families are assigned to two bedroom units and the income limits for four person families are assigned to the three bedroom and above category.

**Table 29. HOUSING AFFORDABILITY - RENTAL HOUSING, City of Concord, 1989.**

<u>INCOME RANGE</u>	<u>MAXIMUM MONTHLY HOUSING PAYMENT 3+ BEDROOM APT</u>	<u>MAXIMUM MONTHLY HOUSING PAYMENT 2 BEDROOM APT</u>	<u>MAXIMUM MONTHLY HOUSING PAYMENT 1 BEDROOM APT</u>
Moderate (9,651 Households)	\$ 1,316	\$ 1,181	\$ 1,033
Low (7,018 Households)	877	787	688
Very Low (7,896 Households)	541	492	431
Rental Rates in Concord Low to Average Rates	\$650-\$825	\$575-\$700	\$450-\$525

Source: City of Concord Planning Division.

Affordability improves for Concord households in relation to rental housing. Moderate and low income households should be able to locate housing without spending in excess of 30% of income for housing. Very low income households, however, would need to pay slightly more than 30% of their income for rental housing in all categories. The upper range of the very low income range would need to spend 33% of income to afford a 3+ bedroom apartment, 35% for a two bedroom apartment and 31% of income for a one bedroom apartment. Affordability for very low income households lessens as incomes fall away from the optimal upper range estimated in Table 29. The availability of one and two bedroom apartments in January of 1990 in Concord is good. A January 1990 survey of listings in the Contra Costa Times found 18 one bedroom units and 19 two bedroom units advertised. Three bedroom plus apartment units, however, were in short supply with only two listings. This shortfall was amply offset by the listing of available single family homes, townhomes and condominiums for rent. The Contra Costa Times carried listings for 66 three bedroom, or larger, homes for rent ranging in price from \$795 to \$1,250 per month with an average of \$955.

## HOUSING CHARACTERISTICS

### ANNUAL GROWTH IN HOUSING UNITS (1980-1989)

The growth in the number of housing units built in Concord has fluctuated considerably over the past ten years. This reflects the vigor of the national economy indicated by interest rates, the rate of inflation and the strength of the local and regional economy. The drop in the number of units built between 1981 and 1983 was caused by a national recession. The number of housing units completed was the lowest in 1981 at 276 units. Recovery of the housing market began in 1983 as interest rates began to drop. Since 1984 the housing market has made a sustained recovery. The largest increase occurred in 1985 when 841 units were completed, and the largest number of housing units were built between 1985 and 1987.

Table 30. ANNUAL GROWTH IN HOUSING UNITS BY TYPE, City of Concord 1980-1989

<u>YEAR</u>	<u>TOTAL</u>	<u>SINGLE-FAMILY DETACHED</u>	<u>SINGLE-FAMILY ATTACHED</u>	<u>APARTMENT</u>
1980	339	126	213	0
1981	276	82	194	0
1982	371	38	0	333
1983	280	77	98	105
1984	314	82	198	34
1985	841	334	388	119
1986	788	186	121	481
1987	773	174	137	462
1988	441	270	135	36
1989	290	110	180	0
Total Units:	4,713	1,479 31.4%	1,664 35.3%	1,570 33.3%

Source: City of Concord Planning Division. Does not include mobile homes which totaled 1,449 in 1980 and 1,438 in 1989 or group quarter housing which totaled 956 in 1980 and 1,049 in 1989.

These production figures reveal a significant shift in the distribution of housing types in the City of Concord. The traditional detached single-family home represented 62% of all housing units in the City of Concord in 1980 but only 31.4% of new units constructed since 1980 have been single-family homes. Townhomes and condominiums accounted for the largest share, 35.3% of all new construction since 1980 while only 3.8% of all units in 1980 were townhomes or condominiums. The share of apartment units increased from 30.6% to 31.1% over the same time period.

## TENURE

An increasing rate of rental housing construction in the 1980's compared to historical ratios of owner-occupied to renter-occupied housing has brought a shift in the tenure of housing in Concord:

Table 31. TENURE OF THE HOUSING STOCK, City of Concord 1980 and 1989

	<u>1980</u>		<u>1989</u>	
	<u>UNIT</u>	<u>PERCENT</u>	<u>UNIT</u>	<u>PERCENT</u>
Owner Occupied	23,550	61.7	25,716	60.2
Renter Occupied	<u>14,602</u>	<u>38.3</u>	<u>16,982</u>	<u>39.8</u>

Source: 1980 Federal Census and City of Concord Planning Division.

In 1980, 38.3% of all units were renter-occupied. By 1989, 39.8% of all units were occupied by renters. This shift occurred in nine years due to the emphasis on rental housing in new construction. An estimated 53% of the housing units created from 1980 to 1989 entered the rental housing stock<sup>21</sup>.

## VACANCY RATES

Public information on housing vacancy rates is available from the Demographic Research Unit, State Department of Finance, Report E-5, and the Housing Vacancy Survey conducted annually (to 1988)

<sup>21</sup>This 53% is comprised of: 31% apartments, 16% condominiums and townhomes held for rental, and 6% single-family housing. These estimates assume 100% of apartment units are rented, 43% of condominium and townhouse units are rented and 17% of single family homes are rented. Condominium conversions were not a factor for the period, affecting less than 250 units.

by the Federal Home Loan Bank of San Francisco (FHLB). Table 32 presents the results of these surveys. The Housing Vacancy Survey is conducted in the fall of each year by the Postal Service on contract with the FHLB. Postal carriers tally the vacancies of housing in four categories: single family detached, single family attached, multi-family and mobile homes. The Department of Finance data is estimated by a non-field checked formula that includes housing units constructed and demolished, average household size and utility connections. The difference in vacancy rates reported by these two surveys can be accounted for by the reporting of units under construction in the Department of Finance vacancy estimate. The FNLB survey excludes units under construction. In years of heightened construction activity, the variation between FHLB and Department of Finance vacancy rates will be greater.

Following a statewide and Bay Area recession in 1982-83, vacancy rates for single-family and multi-family housing peaked in 1983. These rates declined precipitously in 1984 to a six-year low in 1985 (FHLB figures, Table 32). This decline in vacancy rates corresponds to employment growth in the City and increased economic activity. In response to high levels of housing construction in 1985, 1986 and 1987, vacancy rates steadily increased in 1989 to a level exceeding the post-recession rates reported in 1983. These vacancy rates, while high for Concord, are considered necessary by housing experts to assure adequate choice in the marketplace and to temper the rise in home prices. According to the Bay Area Council and Association of Bay Area Governments,

"A five percent rental vacancy rate is considered necessary to permit ordinary rental mobility. In a housing market with a lower vacancy rate tenants will have difficulty locating appropriate units and strong market pressure will inflate rents. A two percent vacancy rate for owned housing is considered normal."<sup>22</sup>

Although Table 32 does not establish vacancy rates for owned and rental housing, it can be inferred that Concord is approaching the 5% target for rental housing. The estimated 1989 vacancy rate in Concord is 4.44% for rental housing and 1.3% for owned housing.<sup>23</sup>

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<sup>22</sup>"Blueprint for Bay Area Housing", published by the Bay Area Council and the Association of Bay Area Governments, page 15.

<sup>23</sup>Calculation of rental and owned housing vacancy rates assumes:

- 1) 7.7% vacancy rate for townhomes (FHLB 1989)
- 2) 20% of single family and townhome units are held for rental (1980 Census)
- 3) 43% of condominium units are held for rental
- 4) vacancy rate for all units is 2.7% for 1989 (FHLB)

Table 32. VACANCY RATES, City of Concord, 1980-1989

YEAR	Vacancy Rate <sup>1</sup> FHLB (ALL UNITS)	Vacancy Rate <sup>2</sup> DEPT OF FINANCE (ALL UNITS)	Vacancy Rate <sup>3</sup> SINGLE-FAMILY	FHLB		
	MULTI-FAMILY <sup>4</sup>	MOBILE HOME				
1980	n/a	3.39				
1981	n/a	3.25				
1982	n/a	3.77				
1983	2.6	4.00	1.8	4.8		1.0
1984	1.6	3.68	1.5	1.8		1.6
1985	1.3	3.12	1.1	1.7		1.3
1986 <sup>5</sup>	1.4	2.72	1.3	1.9		0.4
1987	1.6	3.01	1.4	2.1		1.5
1988	2.3	3.09	1.8	3.3		2.5
1989	2.7	2.94	2.0	4.3		2.6

<sup>1</sup> Vacancy rate as of September of the previous year. Does not include units under construction.<sup>2</sup> Vacancy rate as of January of the current year. Includes units under construction.<sup>3</sup> Includes single family detached and attached housing.<sup>4</sup> Includes multi-story apartments and condominiums. Approximately 43% of condominiums are rented.<sup>5</sup> In 1986, the FHLB Housing Vacancy Survey began reporting single family vacancies for detached and attached (townhome) housing. These two categories have been combined in this Table for 1986-89.

Source: Federal Home Loan Bank of San Francisco and the Demographic Research Unit, State Department of Finance.

Realtors and developers have expressed repeatedly that Concord's vacancy rate for rental housing currently exceeds 5%, however no public data is available to support these estimates. Apartment construction came to a standstill in 1988 and 1989 with only 36 units constructed. Factors other than higher vacancy rates could be influencing this stall. The Tax Reform Act of 1986, the cost of land, interest rates and opportunities for construction in other communities also determine whether rental housing will be built in Concord. The City of Concord is reviewing two development applications for over 500 rental units in downtown Concord, reflecting private sector belief in the long-term economic viability of constructing rental housing in Concord. Vacancy rates do not appear to be strongly correlated with the appreciation of single family home prices. The largest one-year increase in home prices during the 80's occurred in the year with the highest vacancy rate (1988-89). Higher vacancy rates in appreciating markets are an indication of over-supply and a pending reduction in construction activity. This took place in Concord with a 60% decline in new single family home starts from 270 in 1988 to 119 in 1989. This decline may be short-lived. Builders will be watching closely both the number of sales of homes built in 1989 and the average length of time these homes are on the market.

#### AGE AND CONDITION OF THE HOUSING STOCK

The overall condition of the City's housing stock is very good. Over 73% of the housing units have been constructed since 1960. Only 8% of Concord's housing units were constructed prior to 1950.

**Table 33. AGE OF THE HOUSING STOCK, City of Concord**

<u>YEAR STRUCTURE BUILT</u>	<u>UNITS</u>	<u>PERCENT</u>
1980 - 1989	4,718	11
1970 - 1979	13,270	30
1960 - 1969	13,976	32
1950 - 1959	8,800	20
1940 - 1949	2,631	6
1939 or earlier	813	2

Source: 1980 Federal Census and City of Concord Planning Division.

The 1980 Census found: 97.2% of all units connected to public sewer, 99.49% contained complete kitchen facilities, 72.68% had air conditioning, and 96.16% included complete plumbing.

According to the City of Concord Building Division, an increasing number of apartment units in the City are showing visible signs of exterior deterioration beyond routine repair and maintenance. These units are apartments constructed primarily in the 1960s that are beginning to show their age. The Building Division has requested an additional code compliance officer, partly in response to this growing need. The City of Concord Housing Assistance Plan 1988-89 estimates 546 owner occupied units (1.98% of the owned housing stock) and 327 renter occupied units (1.97% of the rental housing stock) are substandard and require rehabilitation assistance.

In 1989, the City of Concord processed four permits for demolition of single-family homes and seven permits for the demolition of uninhabitable structures. Since 1985, 70 habitable and uninhabitable housing units have been demolished. For the upcoming five years 1990-1995, a slightly higher number of applications to demolish units is expected. Based on the lower percentage of units constructed prior to 1950, applications to demolish approximately 100 units are expected over the next five years 1990-1995. If the Building Division is not able to enforce code compliance problems with multi-family units noted above, Concord could lose several apartment buildings. In this case, the 100 unit estimate for demolition would be low. Additional rehabilitation funds should be targeted to address this problem.

## OVERCROWDING

Overcrowded housing is defined as units with more than one inhabitant per room, excluding kitchen and bathrooms. In 1980, the overall incidence of overcrowding in Concord was 2.18% (833 units). Of these overcrowded units, 61% (506) were renter occupied. The rate of overcrowding among all rental units in the City was 3.44%. Among owned units the overcrowding rate was 1.3%.

Table 34 compares the City of Concord's overcrowding rate with neighboring communities:

**Table 34. OVERCROWDED HOUSING UNITS 1980, City of Concord and Region**

	<u>OCCUPIED UNITS</u>	<u>OVERCROWDED UNITS</u>	<u>PERCENT OVERCROWDED</u>
Concord	38,152	833	2.18%
Pleasant Hill	9,771	151	1.55%
Walnut Creek	23,409	155	.70%
Contra Costa County	251,951	7,034	2.79%
Bay Area	1,970,547	94,797	4.81%

Source: 1980 Federal Census.

While overcrowding affected 2.18% of all households in 1980, this rate was down significantly from 1970 when over 5% of all units were considered overcrowded.<sup>24</sup> This decline is partly due to decreasing household sizes, the construction of larger homes and the remodeling and rehabilitation of Concord's older housing units. The average household size decreased from 3.7 in 1960 to 2.68 in 1980, a 28% decline. On average, each dwelling housed one less person in 1980 than was typical in 1960. Concord's housing stock, 40% of which was constructed from 1950 to 1965<sup>25</sup>, was built for larger families. This "oversizing" relative to future occupants and the demolition, typically, of the smallest and oldest units in town, has contributed to the sharply declining overcrowding rate. Based on a decrease in average household size from 2.68 in 1980 to 2.54 in 1989 it is estimated that Concord's overcrowding rate in 1989 is 2.01% or 889 households. A portion of this overcrowding may be a result of shared housing in response to increasing housing costs.

Unfortunately, the distribution of overcrowding by housing unit size is not available. It is not known if Concord's estimated 889 households are comprised of large families or "medium" sized families occupying housing units with an inadequate number of rooms<sup>26</sup>. Given the total number of persons in overcrowded units in 1980 was 4,488, or approximately 5.4 persons per overcrowded unit, it would appear that the majority of Concord's overcrowding is the result of the special needs of large families. Lacking conclusive information, it can be assumed that housing assistance for large families and the remodeling of older, smaller homes are each a priority in reducing the rate of overcrowding.

#### EXISTING AND PROJECTED HOUSING NEED (1990-1995)

To estimate the existing and projected housing need, the following relationships are assumed:

1. Employment growth will follow projections made by ABAG for the 1990-1995 period.
2. The number of new jobs which will be held by Concord residents is projected in three ranges; low, medium, and high:

LOW	23.4%	Percentage of jobs held by Concord residents as determined by the 1989 City of Concord TSM Survey (see Table 18).
MEDIUM	33.0%	Mid-point between 1989 TSM Survey results and 1980 Census data.
HIGH	42.0%	1980 Census data for the percentage of jobs in Concord held by Concord residents. <sup>27</sup>

<sup>24</sup>Housing Element, City of Concord, adopted December 17, 1984, page 6.

<sup>25</sup>As of 1980 Federal Census, 87% of Concord's housing was constructed prior to 1980.

<sup>26</sup>The standard of 1.01 or more persons per room excluding bathrooms or kitchen as an indicator of overcrowding may not be valid for all individuals or cultures. If the higher standard of an incidence of more than 1.5 persons per room is applied, Concord's overcrowding rate is reduced to 0.54% or an estimated 239 households in 1989.

<sup>27</sup>1970 Census data revealed 48% of jobs in Concord held by Concord residents. The trend is downwards with 42% of jobs held by Concord residents according to 1980 Census data and 23.4% according to the City of Concord 1989 TSM Survey.

3. New resident workers are translated into new households through the following formula and ratios of one-worker, two-worker and three+ worker households existing in 1985 in Concord.<sup>28</sup>

One-Worker Households:	53.8%
Two-Worker Households:	38.1%
Three + Worker Households:	<u>8.1%</u>
	100.0%

These ratios are applied to the LOW, MEDIUM, and HIGH estimates of resident workers through derivations of the following formula<sup>29</sup>:

$$J = [ .538 \times (1 \times H) ] + [ .381 \times ((1+P) \times H) ] + [ .081 \times ((2+P) \times H) ]$$

J = New jobs held by resident workers.

H = Total number of new households.

P = Percent of total jobs held by residents of Concord under LOW, MEDIUM and HIGH estimate.

Total need for 1990-1995 is calculated by subtracting the number of units produced in Concord from January 1, 1988 through December 31, 1989 (731 units) from ABAG's determined need for Concord as of January 1, 1990 (999 units). This shortfall of 268 units is then added to the Medium range need Calculated under the assumptions noted above for Concord. An additional 840 units to satisfy "Alternative Zoning" need (discussed below) and an ideal vacancy rate of 3.26% are then added to receive an estimate of total need for 1990-1995.<sup>30</sup>

ABAG adds 840 units to Concord's 1988-1995 housing need to satisfy "Alternative Zoning." This additional requirement is intended to house up to 50% of the difference between the growth in local jobs and the growth in labor supply. Trends in Concord's jobs/housing balance indicate that only an estimated 33% of new workers become residents of Concord. Increasing the production of housing to reverse the decline in new workers who are choosing to live in Concord will not be successful if these units are not the type of housing desired by new employees. Housing must also be affordable compared to the alternatives in the marketplace to be desirable. Encouraging the production of housing that will not be in demand would raise vacancy rates, curtail construction and bring economic hardship to the building industry. ABAG's projection of 840 units to satisfy "Alternative Zoning" needs is accepted as a valid amount to reverse the trend to greater percentage of non-resident workers only if the units built are desirable and affordable to at least 50% of Concord's new workers. An increase of 840 resident households would equal a resident worker rate of 47.75% for the period 1990-95, compared to an expected rate for the period of 33%.<sup>31</sup>

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<sup>28</sup>ABAG Technical Memo dated March 15, 1985.

<sup>29</sup>Concord Housing Needs Assessment, Lynn Sedway and Associates, May 1985, page 29.

<sup>30</sup>3.26% is the overall vacancy rate required in Concord to provide a 2% vacancy in owned housing and a 5% vacancy rate in rental housing.

<sup>31</sup>Based on an average 1.23 workers per household.

**Table 35. EMPLOYMENT GROWTH AND NEW RESIDENT WORKER PROJECTIONS, City of Concord 1990-1995**

	<u>1990</u>	<u>1995</u>	<u>1995-1990 NET INCREASE</u>
TOTAL EMPLOYMENT IN CONCORD <sup>1</sup>	59,890	66,450	6,560
New Resident Workers			
LOW Estimate			1,535
23.4% of jobs held by residents			
MEDIUM Estimate			2,165
33% of jobs held by residents			
HIGH Estimate			2,755
42% of jobs held by residents			

<sup>1</sup>ABAG Projections 1990, page 129

Source: City of Concord Planning Division.

**Table 36. HOUSEHOLD ALLOCATION OF NEW RESIDENT WORKERS, City of Concord 1990-1995**

	<u>LOW</u>	<u>MEDIUM</u>	<u>HIGH</u>
NEW RESIDENT WORKERS	1,535	2,165	2,755
New Resident Households			
One-worker Households	741	948	1,166
Two-worker Households	525	672	826
Three + -worker Households	112	143	176
Total Number of Households	1,378	1,763	2,167

Source: City of Concord Planning Division.

Total housing needs for the City of Concord 1990-1995 assuming the MEDIUM range above =

$$(999-731) + 1,763 + 840 = 2,871 \times 3.26\%^{32} = 2,965^{33}$$

The City of Concord Projected Housing Need for the period 1990-1995 is 2,965 units or 7% less than ABAG's projected housing need of 3,192 units for the period (see next section, ABAG Regional Housing Need). Concord's need by income range is defined in ABAG's projection of Regional Housing Need.

### **ABAG REGIONAL HOUSING NEED**

State legislation enacted in 1980 (Chapter 1143, Statutes of 1980; AB2853) requires the Association of Bay Area Governments (ABAG) to determine the existing and projected regional housing need for persons at all income levels. These projections are based on assumptions of economic growth and an ideal housing vacancy rate of 4.5%. A 4.5% vacancy rate would encourage increased choice and

<sup>32</sup>Overall vacancy rate required to provide a 2% vacancy in owned housing and a 5% vacancy rate in rental housing.

<sup>33</sup>Includes existing need of 268 units carried over from 1989.

affordability in the housing market. Regional projections are further divided into projections of need for cities. ABAG projections of housing need are presented in Tables 37 and 38. These goals for production are a guideline only. State law does not require that cities meet projected needs, but State law does require that cities work toward the attainment of these needs in each income category.

This level of production, in theory, would address several regional problems including affordable housing, improving the jobs/housing balance, reducing commute times, improving air quality, and promoting a stronger regional economy by assuring that an adequate labor force is present to meet the needs of growth. In reviewing the current policies of local government, ABAG concluded, "Viewed in aggregate, current local government policies will not house the labor supply needed for jobs currently being planned for the region."<sup>34</sup> In particular, cities that plan for job growth without supplying adequate housing are cited as contributors to this regional problem.

Table 37. EXISTING AND PROJECTED HOUSING NEEDS, City of Concord and Contra Costa County 1988 to 1995

	<u>EXISTING NEED</u>	<u>1988-90 PROJECTED<sup>1</sup> NEED</u>	<u>1990-95 PROJECTED NEED</u>	<u>ALTERNATIVE ZONING PROJECTED NEED</u>	<u>1988-1995 TOTAL PROJECTED NEED</u>
Concord	427	999	2,084	840	3,923
Contra Costa County	3,870	15,898	29,027	3,831	48,756

<sup>1</sup>Includes existing need as of 1/1/89 totalling 427 units.

Source: Housing Needs Determination, ABAG, January 1989, Table 6, page 27.

Concord, which is projected by ABAG to house 13.5% of the County's population by 1995, is projected to supply 8% of the County's total housing need. The "Alternative Zoning Projected Need" category is added to cities which are projected to produce significant job growth relative to housing growth. It represents an additional commitment by cities that are producing jobs to also produce housing. Concord is given the goal by ABAG to produce 22% of the County's "Alternative Zoning Need". This need can be met through any combination of strategies including, as the title implies, alternative zoning for higher density. Providing units which are affordable to various income levels will be difficult. ABAG has projected that of these 3,923 units, 785 need to be affordable to households earning less than \$19,075 per year (Very Low Income), 628 units affordable to households earning less than \$30,520 per year (Low Income), 824 units affordable to households earning less than \$45,780 per year (Moderate Income) and 1,686 units for households earning more than \$45,780 per year (Above Moderate Income).

Table 38. PROJECTED HOUSING NEED BY INCOME CATEGORY, City of Concord and Contra Costa County 1988-1995

	<u>TOTAL PROJECTED NEED</u>	<u>VERY LOW</u>	<u>LOW</u>	<u>MODERATE</u>	<u>ABOVE MODERATE</u>
Concord	3,923	785 (20%)	628 (16%)	824 (21%)	1,686 (43%)
Contra Costa County	48,756	8,670 (17.8%)	6,472 (13.3%)	10,416 (21.4%)	23,198 (48%)

Source: Housing Needs Determination, ABAG, January 1989, Table 20, page 44.

New construction is not the only means at a city's disposal to meet ABAG projected needs. A net increase in units in each income category, however, is intended. According to ABAG:

<sup>34</sup>Housing Needs Determination, ABAG, January 1989, page 6.

"The resulting numbers from the procedure described above (projections) do not imply that each jurisdiction must produce the identified amount of very low-, low-, moderate- and above-moderate income housing. The numbers do imply a net increase in the number of available units in each of these income categories. A community can promote additional housing opportunities by a number of means. Included among these are by "filtering"; by allowing large single-family homes to be converted to multi-family uses; by promoting or encouraging the rehabilitation of substandard units or units presently scheduled for demolition; ; by providing for the conversion of seasonal to year-round occupancy; or by authorizing the construction of new low- and moderate-income housing units, using density bonuses and allowing for greater use of second-units and manufactured housing. How each county and city will address the determination of regional housing need by income category will be decided in the process of updating the housing elements of each individual jurisdiction."<sup>35</sup>

Alternatives to new construction that result in a net increase in units affordable to Very Low, Low, and Moderate Income households must be thoroughly documented to count toward Concord's existing and projected housing need.

In 1980, Concord contained the following percentage of population in each income category:

**Table 39. INCOME DISTRIBUTION, City of Concord 1980**

	<u>VERY LOW</u>	<u>LOW</u>	<u>MODERATE</u>	<u>ABOVE MODERATE</u>
Concord	18%	16%	22%	44%

Source: 1980 Federal Census.

ABAG has assigned Concord a slightly higher percentage of Very Low Income units than existed in the City in 1980 (20% v. 18%) and a slightly lower percentage of Above Moderate Income units (43% v. 44%) when compared to 1980 figures in order to achieve a greater regional balance between where those with lower and higher incomes live. If Concord were to produce housing units affordable to its population the production levels in Table 38 would be required. These projections include both rental and owned units. Projections for need by tenure have not been developed.

### **SPECIAL HOUSING NEEDS**

#### **SENIOR POPULATION**

Significant changes are occurring in the age structure of Concord's population, reflecting state and national trends. The City's senior population increased from 8.12% of the population in 1980 to 10.43% in 1989. Approximately 11,000 individuals are seniors now, compared to approximately 8,000 in 1980. The State Department of Finance projections for Contra Costa County indicate that the senior population is expected to grow by 50% between 1985 and the year 2000. Applying these projections to Concord, over 14,000 persons will be over 65 years of age and residing in the City by the year 2000. Based on a projected year 2000 population of 123,400<sup>36</sup>, 12% of Concord's population will be seniors.

<sup>35</sup>Ibid, page 36.

<sup>36</sup>ABAG Projections, 1990, page 124.

This will have an impact on the provision of health and social services, as well as on the demand for specialized housing for the growing senior population.

This high rate of growth in the senior population combined with the low person per household average (1.73 pph) for this group will generate a high demand for housing that is appropriate to and affordable to seniors. The expected population growth in this segment of the population of approximately 1,500 persons from 1990 to 1995 will bring a demand for approximately 763 housing units. This estimate is based on conditions existing in 1980. In 1980, 12% of seniors lived with family or non-family members. Applied to the projected population increase of 1,500 persons, 180 seniors are expected to live with family or non-family members. Of the remaining 1,320 seniors to be added 1990-1995, a demand for approximately 763 housing units will be generated (1,320 divided by 1.73 pph = 763). In 1980, 30% of seniors were one-person heads of household. Applied to the 760 units needed in the next five years, 228 single-person units will be required. Approximately 500 additional units for 2+ person senior households will be needed. These calculations do not include an allowance for vacant units. To accommodate a 5% vacancy rate to promote choice and flexibility in the marketplace, an additional 38 units would be required.

Affordability of housing is critical to seniors, especially to seniors living alone. In 1980, seniors comprised 5.9% of all individuals in poverty but seniors who were also unrelated individuals comprised 11.6% of all unrelated individuals in poverty, a disproportionate share relative to the 8.12% of the total population represented by seniors. Seniors hold 179 of 798 (or 22.4%) of Section 8 rental assistance certificates and vouchers issued to Concord residents.

The housing needs of seniors can be met through the provision of smaller units, second units on lots with existing homes, shared living arrangements, secure housing with proximity to shopping and services, congregate care housing, skilled nursing facilities and housing assistance programs.

Since 1985, the City of Concord has assisted in the development of 249 units of senior housing<sup>37</sup>. In total, 1,062 seniors live in two public-assisted and private retirement homes in Concord. Since 1977, Community Development Block Grant funds have been used to provide rebates for home repairs for low-income senior and the disabled.

## FEMALE HEADED HOUSEHOLD

In 1980, 2,775 households were headed by a female with children and no spouse (7.3% of all households). Female households with no spouse and no children comprised 989 households (2.6% of all households)<sup>38</sup>.

Female-headed households have increased as a result of a higher percentage of women in the workforce, a higher divorce rate and an increased occurrence of women choosing to raise a family without a spouse present. Births to unmarried women rose from 21.6% of all births in California in 1982 to 26.3% of all births in 1986. The increase for the period was slightly more in Contra Costa County where 17% of all births were to unmarried women in 1982 and 22% in 1986<sup>39</sup>. These statistics do not take into account women who are unmarried but who are with a partner.

<sup>37</sup> Plaza Towers, 96 units and Adams & Graves Project, 153 units.

<sup>38</sup> 1980 Federal Census.

<sup>39</sup> "Percent of State's Unwed Mother Rose 1981-86", Rochelle Kanigel and Leah Pels staff writers Contra Costa Times, (issue number and publication date not recorded.)

Although the income gap between men and women in comparable jobs is slowly narrowing, males typically earn more than their female counterparts. Males are also less likely to be the head of a household with children, without a spouse present. In 1980, only 537 households, or 1.4% of all households, were in this category compared to the 2,775 female-headed households with children. Female-headed households need affordable housing, day care and recreation programs and services. Concord is a recognized leader in providing day care services. The City collects a  $\frac{1}{4}$  of one 1% fee of all new non-residential development over \$40,000 in value. These funds, which presently generate \$240,000 per year, are used to provide day care services including referral, training, nutrition and public education.

Households with female heads, like large households, may have difficulty in finding appropriate-sized housing. Despite fair housing laws, discrimination against children may make it more difficult for this group to find adequate housing. Concord's Fair Housing Program has, as one of its goals, the elimination of discrimination against female-headed households.

An indication of the economic hardship experienced by female-headed households is found in the Statistics for the Aid to Families with Dependent Children (Table 41). In two years, the number of individuals receiving aid under the AFDC program in Contra Costa County increased 8%. It is estimated that 5,300 persons, or 4.8% of Concord's population, receive aid under this program<sup>40</sup>. Of those recipients who are 16 years, or older, 80% were female in 1988. A large portion of Section 8 rental assistance certificates and vouchers held by Concord residents are held by female heads of households. Of 798 Section 8 subsidies, 74% or 594 are certificates or vouchers assisting female headed households with no partner present.

Table 40. PUBLIC ASSISTANCE RECIPIENTS, Contra Costa County 1986 to 1988

<u>RECIPIENTS BY PROGRAM</u>	<u>MAY 1986</u>	<u>MAY 1987</u>	<u>MAY 1988</u>	<u>% Increase 1986 - 1988</u>
Aid to Families with Dependent Children <sup>1</sup> Total	32,950	34,875	35,441	8%
Adults	11,239	11,740	11,801	5%
Children	21,711	23,135	23,640	9%
Food Stamps <sup>2</sup>	29,957	30,518	33,003	10%
General Relief	2,420	2,502	2,923	21%
Refugee Cash Assistance <sup>3</sup>	139	114	125	-10%

<sup>1</sup> Includes children in the family groups, unemployed cases, and foster care.

<sup>2</sup> Includes those persons receiving public assistance payments and those not receiving public assistance payments.

<sup>3</sup> Excludes AFDC recipients.

Source: Public Welfare in California, Department of Social Services.

<sup>40</sup> Estimate based on Concord's 15% share of the County population. These 5,300 individuals represent approximately 1,600 households.

**Table 41. AID TO FAMILIES WITH DEPENDENT CHILDREN, Contra Costa County 1986 to 1988**

<b>CHARACTERISTICS</b>	<b>MAY 1986</b>	<b>MAY 1987</b>	<b>MAY 1988</b>
Total Recipients 16+ <sup>1</sup> years old	13,140	13,910	14,140
Male	2,720	2,880	2,920
Female	10,430	11,030	11,210

<sup>1</sup>Includes children in family groups, unemployed cases, and foster care. Note: Parts may not add to totals because of independent rounding.

Source: Total figure is from Public Welfare in California, Department of Social Services.

## DISABLED PERSONS

The 1980 Census data indicate that 2,360 individuals in Concord (3.32% of the workforce) were prevented from working due to a physical disability. An additional 2,096 persons were functioning in the workforce with a physical disability, and 466 persons functioned with a disability but chose not to be a part of the workforce. Of the 4,922 total disabled, 1,901 (39%) were not able to use public transit due to their disability. A majority (54%) of those not able to use public transit due to a disability were seniors. In 1987, 10,472 disabled persons were receiving supplemental security income (SSI) in the County (Table 42). An estimated 1,571 individuals in this group are also estimated to be residents of Concord. Of 798 Section 8 rental assistance certificates and vouchers held by Concord residents, 149 (19%) are held by disabled persons.

**Table 42. SUPPLEMENTAL SECURITY INCOME RECIPIENTS BY PROGRAM, Contra Costa County 1985 to 1987**

<b>PROGRAM</b>	<b>DEC 1985</b>	<b>DEC 1986</b>	<b>DEC 1987</b>
Total Recipients	14,436	14,806	15,666
Aged	4,490	4,540	4,764
Blind	454	452	430
Adults	420	422	396
Children <sup>1</sup>	34	30	34
Disabled	9,492	9,814	10,472
Adults	8,956	9,264	9,882
Children <sup>1</sup>	536	550	590

<sup>1</sup>Individuals under 18 years of age.

Source: Supplemental Security Income, Social Security Administration, Office of Research and Statistics.

The special housing needs of the disabled population are accessible and usable housing units, housing within convenient access of services, and special design features to mitigate the disability. State law and the City of Concord require handicap provisions in all rental apartment units and equal access to facilities in all structures with public access. A projection of need for disabled accessible units can be estimated by applying the expected population growth rate of 4.9% forecasted by ABAG for 1990-1995 to an estimated 1990 disabled population in Concord of 5,300 persons and dividing by an expected 1995 person per household average of 2.50. This estimate yields a need for approximately 100 additional disabled accessible units by 1995.

## FIRST-TIME HOMEBUYERS AND UPPER INCOME HOUSEHOLDS

Concord, as an employment growth center, is generating a demand for housing by first-time homebuyers and for executive homes for purchase by upper income households. For example, the Bank of America transfer of 3,521 employees to Concord in 1985 included a workforce which was described by a consultant to the bank as "38 percent entry level and general clerical personnel" and "44 percent senior level professional."<sup>41</sup> Entry level pay typically cannot support the level of payments required to afford the median priced home. For most first-time homebuyers, the only alternative is to seek housing in less expensive locations at the urban fringe which contributes to the congestion on the region's transportation network. Assistance to first-time buyers would have social benefits exceeding those associated with home ownership if housing for this group of homebuyers could be found in proximity to the place of work. As stated by the California Association of Realtors,<sup>42</sup>

"First-time homebuyers are hit the hardest by rising home prices and fluctuating interest rates. Homeowners who sell their home to buy another have, for the most part, enjoyed appreciation in the value of their home, the gain on which they can use as a downpayment on another home. Prospective first-time buyers do not have this advantage and tend to face both downpayment and income restraints. Furthermore, first-time homebuyers generally are younger households who have not yet accumulated enough savings for the substantial downpayment which is often required. Additionally, they usually are at the lower end of their income-earning potential."

Upper income households face a similar difficulty to first-time homebuyers in finding a home which suits their needs in Concord. Listings of homes for sale in Concord contain a notable absence of executive homes (homes generally costing \$350,000 and up) when compared to other East Bay communities. The "44% of senior level professionals" transferred to Concord by the Bank of America represented a workforce of over 1,500. Applied to the projected employment growth for Concord, a substantial demand for housing affordable to these professionals is being created.

Table 43 compares the relative absence of executive homes in Concord compared to surrounding communities. Four bedroom, two-and-a-half bath homes are also smaller and less expensive in Concord, indicating fewer amenities present in Concord's larger homes. Concord's median prices are 28% less than the average in Table 43; however, the average home is only 11% smaller. The cost per square foot of a large home in Concord is 20% less than the average four bedroom, two-plus bath homes found in neighboring communities.

<sup>41</sup> Correspondence dated September 9, 1982, Richard T. Sauve, Principal DKS Associates to Mr. Lewis Pierotti, Bank of America, page 2.

<sup>42</sup> California's Housing Crisis: The American Dream Deferred, policy recommendations for State and local housing issues published by the California Association of Realtors, 1989, page 9.

Table 43. MEDIAN SALES PRICES 1989, City of Concord and Surrounding Communities

	SINGLE FAMILY RESIDENCES		HIGHEST PRICE PAID FOR A HOME <u>IN 1989'</u>
	3 bed/2 bath (square feet)	4 bed/2+ bath (square feet)	
Walnut Creek	\$ 240,000 (1,750)	\$ 300,000 (2,200)	\$ 1,800,863 (n/a)
Blackhawk	439,500 (2,860)	504,000 (3,575)	(n/a)
CONCORD	180,000 (1,700)	234,900 (2,250)	650,000
Danville	290,000 (1,900)	345,000 (2,440)	1,500,000
Lafayette	285,000 (1,800)	375,000 (2,600)	2,200,000
Martinez	195,000 (1,600)	245,000 (2,500)	900,000
Pleasant Hill	185,000 (1,350)	275,000 (2,200)	527,750
San Ramon	210,000 (1,350)	345,000 (2,500)	690,000
AVERAGE MEDIAN PRICE AVERAGE SIZE (sq. ft.)	\$ 253,000 (1,808)	\$ 327,988 (2,533)	\$ 1,181,230

\* 2-1/2 baths

\*\* 3 baths

<sup>1</sup> Reported for 1/1/89 through 12/31/89 by REM Associates of Walnut Creek, cited in the January 28, 1990 edition of the Contra Costa Times.

Source: Coldwell Banker Residential Real Estate Services, February 1989 as quoted in the City of Walnut Creek 1989 Housing Element Part II, Supplemental Background Information, page 17 and REM Associates of Walnut Creek.

Regarding first-time homebuyers, the City of Concord and Contra Costa County operate first-time homebuyer programs. The City, under a \$56 million bond authorization, has loaned \$11 million to first-time buyers since 1984. The program is limited to those with moderate incomes (up to 110% of median for the purposes of this program) and includes below-market interest rates and a low downpayment. Initially, the City's program could only be applied to new homes. Currently, new and resale homes are eligible and rehabilitation funds are also available from the City in combined purchase/rehab sales. The County's program is similar. On June 1, 1989, the County completed the sale of \$44 million in financing for first-time homebuyers. The County offers long-term fixed rate loans at a very competitive interest rate (8.3% interest as of June 1, 1989). A large portion of the program (22% or \$10 million) is available for resale homes and other special projects. Information on the County's program can be received by calling (415) 646-2006. The City program is administered by the City's Urban Resources Department (415) 671-3364.

## FARMWORKERS

There is no demand for farmworker housing in Concord since there are no working farms in the City and Concord is located in an urbanized portion of Contra Costa County.

## LARGE FAMILIES

In 1980, 6.8% of Concord's housing units were occupied by families with five members and 3.7% of all households contained six or more persons. Applied to the number of households in Concord in 1989, 3,008 households would contain five or more persons, while 1,637 households would be expected to include six or more persons. Since household sizes have been decreasing and since school-age children have been decreasing in the age structure of the City (see Table 4, Chapter II). The special needs of large families are expected to be less than 1980. The percentage of large families who are also renters is low in Concord (25.4% of large families were renters in 1980 compared to 38.3% for the population). The low percentage of large family renters in Concord supports the view that a decreasing school-age population and shrinking household size have significantly reduced the percentage of large families (5 or 6+ persons) in the City. For those large families who are renters, however, the supply of rental housing is low. A January, 1990 survey of rental listings in the Contra Costa Times found 18 one-bedroom apartments, 19 two-bedroom apartments, but only 2 three-bedroom apartments available for rent in Concord. A special need of large families who are renters is protection against discrimination directed at children in rental units. The City of Concord maintains a Housing Counseling and Discrimination Hotline to deal with these issues. The phone number is (415) 671-3116.

## THE HOMELESS

Homelessness has gained considerable public attention since the adoption of the City of Concord's Housing Element in December, 1984. In 1984, less than twenty-five (25) homeless individuals were identified in the City<sup>43</sup>. By 1989, 207 bedspaces were being provided in homeless shelter facilities in Concord. These spaces included 100 at the Concord Armory, a temporary wintertime facility which is no longer providing services. With 107 bedspaces available in 1990, Concord, which represents 15% of the County's population, provided 11% of the 966 bedspaces for the homeless in the County<sup>44</sup>. A survey completed in February 1987 by the County Office of the Homelessness and participating human service organizations identified 1,293 homeless individuals in the County. Of this total, 1,035 articulated their shelter needs; 70% indicated they were homeless families with children, 18% were single men, 8% were single women, 3% were childless couples, and 1% were of unknown family composition<sup>45</sup>. Based on a County population of approximately 775,000 persons, the incidence of homelessness is one in 600 persons. Concord, with a population of 110,000, would proportionally account for 183 homeless people. Provided these statistics are accurate, bed capacity in Concord is approximately 60% of imputed need. An additional 76 beds with related services would be necessary to meet the need existing in 1987. An accurate count of homelessness, however, is not available. According to the Contra Costa County Social Services Department<sup>46</sup>:

<sup>43</sup> Housing Element, City of Concord General Plan, adopted December 17, 1984, page 6.

<sup>44</sup> 1989 Comprehensive Homeless Assistance Plan (CHAP), Community Development Department, County of Contra Costa.

<sup>45</sup> Ibid, page 1.

<sup>46</sup> "Strategic Plan on Homelessness," Contra Costa County Social Services Department, November 30, 1989, page 3.

"One major obstacle to efficient program development and planning is the lack of consistent statistical data. It is impossible to determine the extent of the need. All of the agencies working with the homeless keep some types of statistics, but the data is not uniform or reliable. Any real long-range planning would need to be based on reliable uniform data collected over time by all service providers."

Tables 44 and 45 list shelter resources for the homeless and related at-risk groups in Central Contra Costa County.

**Table 44. SHELTER RESOURCES FOR HOMELESS AND OTHER AT-RISK GROUPS, City of Concord**

PROVIDER	NUMBER OF BEDS	LENGTH OF STAY	TYPE OF FACILITY	POPULATION SERVED
Shennum Center	20	3-5 days	Emergency	Alcohol Detox Men/Women
Sunrise House	36	90 days	Long-term	Substance Abuse Men/Women
Community Living Project	11	2 years	Long-term	Mentally Disabled Men/Women
Nierka House	9	1-30 days	Short-time Crisis	Mentally Ill Men/Women
Ozanam Center	17	Up to 1 year	Long-term	Mental Disability Substance Abuse Men/Women
Battered Women's Alternatives	14	6-24 months	Transitional Shelter	Abused Women and their Children
Phoenix Programs	-	-	Day Program for 40 Persons	Mentally Disabled Mentally Ill
<b>TOTAL:</b>	<b>107 Beds</b>			

Source: "Strategic Plan on Homelessness", Contra Costa County Social Services Department, November 30, 1989.

Homelessness appears to be a temporary condition among those who are homeless. A January 10, 1989 survey of homeless single adults staying at the Richmond Armory as a part of the Winter Relief Program indicated that very few were chronic homeless. Less than 10% of these individuals had been homeless for a year or more. Both the County Office on Homelessness and service providers throughout the County have identified the following sub-populations of Contra Costa homeless: families with children, single men, single women, runaway or throw-away youths, elderly, victims of domestic violence, mentally-disabled, physically disabled, veterans, the chemically dependent (i.e., alcohol and drugs), and immigrants<sup>47</sup>. Reasons for homelessness vary as indicated by the mixed compositions.

A variety of supporting services and facilities are required to properly address the needs of these individuals. Homelessness, which is a regional problem, requires a concerted and coordinated approach by all levels of government, the private sector, and charitable organizations in order to reduce this growing problem. A poll conducted in San Francisco in December 1989 by the San Francisco Examiner newspaper found, to the surprise of many experts, that homelessness was cited by city residents to be

<sup>47</sup>Ibid, page 1.

the city's number one problem, eclipsing drugs, AIDS, and affordable housing by a three-to-one margin<sup>48</sup>.

The lack of affordable housing contributes to the homeless problem. On July 14, 1987, the Contra Costa County Homeless Task Force submitted a report to the Contra Costa County Board of Supervisors concerning the homeless situation in the County. The Task Force recognized that the single largest factor contributing to the homeless problem is the lack of decent and safe housing affordable to lower income families and individuals in the County, and that efforts to address the need for permanent affordable housing are a critical piece of the homeless assistance package<sup>49</sup>.

The policies and actions of the federal government have contributed significantly to this shortage. Federal funding for new and rehabilitated housing has been cut by 90% since 1981<sup>50</sup>. The passage of the Tax Reform Act of 1986 has resulted in cutting the production of new multi-family housing units by 50% nationwide<sup>51</sup>. Very Low Income rental units subsidized through HUD Section 8 certificates may be lost altogether. The existing Section 8 program has a fifteen-year statutory limit which expires in 1990 unless extended by federal legislation<sup>52</sup>. In Contra Costa County, the County Housing Authority has a waiting list of 3,000 people for Section 8 rental assistance. The waiting list for the Section 8 program has been closed for nearly two years, and no new applications have been taken during this period. In the County there are over 5,000 Section 8 certificates which are jeopardized by the program sunset.

Federally subsidized mortgage assistance contracts for many low income rental properties are nearing the end of their contractual life. The owners of federally assisted low income rental projects will be allowed to prepay mortgages and terminate rent subsidies when this occurs. Project owners would then be free to raise rents to market levels or convert to condominiums or other uses and involuntarily displace low income residents. In Contra Costa County, 970 units may be converted in the next two years, with as many as 2,518 units up for conversion within five years. Thirty one percent, or 1,104 of these units are occupied by seniors and the handicapped. Forty-two units (6 in Concord and 36 in Walnut Creek) have already been converted to market rates. In Concord, 209 units may be converted beginning in September, 1990, with an additional 121 units up for conversion by 1995 (see Chapter III for additional information). While federal legislation has helped slow down the potential conversions on an interim basis, the financial incentives for owners to maintain low income affordability were not approved. Lacking federal funding, local government will need to find alternate funding sources if this level of support is to be maintained.

Two new sources of funding will be available soon to communities. The state Proposition 77, passed by the voters in June of 1988, allocates \$70 million for housing rehabilitation which could be used for the preservation of, or conversion to, affordable housing. An additional \$80 million will be provided under Proposition 77 to provide deferred payment low-interest loans to rehabilitate unreinforced masonry multi-family units to increase their ability to withstand earthquake shocks. At least 70% of

<sup>48</sup>"Poll: Homeless San Francisco's No. 1 Problem", January 7, 1990, San Francisco Examiner, page 1. The poll of 401 San Franciscans was conducted during a five-day period after Christmas by Richard Hertz of Bodega Bay. It has a 5% margin of error.

<sup>49</sup>"Long Term Affordable Housing Solutions to Homelessness", Report to the Contra Costa County Board of Supervisors by the Community Homeless Action & Resource Team (CHART), April 18, 1989, Executive Summary, page i.

<sup>50</sup>1989 Comprehensive Homeless Assistance Plan (CHAP), Community Development Department, County of Contra Costa, page 4.

<sup>51</sup>Ibid.

<sup>52</sup>Ibid, page 4.

the units must be occupied by low-income households. Proposition 84, passed by the voters in November of 1988, would provide \$300 million in housing program funds to assist low-income person in California. Included in Proposition 84 is \$25 million for the acquisition and rehabilitation of residential hotels. The disbursal of Proposition 84 funds is not expected until late 1990. Proposition 77 funds will become available to local communities in June 1990.

Locally, a variety of services are available to aid the homeless including employment referrals and resources, health care, social workers, housing counseling and legal services, counseling and crisis intervention, chemical dependency recovery services, emergency and transitional shelter, rent or mortgage assistance and food and clothing assistance. In Central Contra Costa County, which includes the City of Concord, food, shelter, and counseling services for the homeless are provided by the agencies and organizations listed in Tables 45 and 46.

**Table 45. COMMUNITY FOOD & SHELTER GUIDE, Central Contra Costa County**

<u>SHELTER/HOUSING</u>	<u>FOOD</u>	<u>EMPLOYMENT/UNEMPLOYMENT</u>
Housing Alliance: 943-1997 Rent Assistance Mortgage Counseling Landlord Tenant Disputes Shared Housing	Salvation Army - Concord: 676-6180 Food Baskets  WIC Program: 646-5370	363 Civic Drive, Pleasant Hill: 676-4000 Unemployment Benefits Job Listings
Shelter, Inc. Rent Deposit Loans: 671-2963 Concord Armory Shelter: 827-3598	<u>HEALTH</u>  Matthew Hospital 500 Alhambra, Martinez: 646-4200  Mental Health Center Adult: 646-5480 Child: 646-5468	United Council of Spanish Speaking: 229-1600
City of Concord: 671-3116 Counseling Mediation Equal Opportunity Housing and Assistance  Landlord-Tenant Disputes Referral Services	<u>24-HOUR GENERAL HOT LINES</u> Salvation Army (call collect): 932-9393 Crises & Suicide Intervention: 939-3232  <u>SOCIAL SERVICES</u> 30 Muir Road, Martinez: 646-2623 Food Stamps AFDC (636-2623) General Assistance Medi-Cal	<u>CLOTHING</u> Salvation Army, Concord, 676-6180  <u>ELECTRIC AND GAS SHUTOFFS</u> Community Services Department, 646-5544 United Council of Spanish Speaking, 229-1600
Crises & Suicide Intervention Service Short Term Crises Motel Assistance: 939-3232		<u>LEGAL</u> Free Legal Services Contra Costa Legal Services 233-9954
Social Services Department Family Motel Assistance: 646-1212		
United Council of Spanish Speaking Rent Assistance: 229-1600		
<u>FREE MEALS</u>	Support Services for Unemployed: 827-2112	
Loaves & Fishes: 682-7212 St. Michael's Episcopal Church 2900 Bonifacio, Concord		

Source: 1989 Comprehensive Homeless Assistance Plan (CHAP), Community Development Department, County of Contra Costa.

Agencies created specifically to address the needs of the homeless include Contra Costa County's Housing Advisory Committee, Shelter, Inc., and the Office of Homelessness. Shelter, Inc. is a charitable, not-for-profit corporation created by the Contra Costa County Task Force on Homelessness in November 1986 to help alleviate Contra Costa County's growing homeless problem. Shelter, Inc. helps homeless Contra Costans obtain economic self-sufficiency, sustain permanent housing, and regain human dignity by, 1) establishing emergency shelters, transitional housing and long-term affordable housing; 2) developing and managing revolving loan and rental deposit guarantee programs and other innovative housing assistance programs; 3) coordinating services and creating programs to address needs of the homeless, and 4) serving as a clearinghouse for information on homelessness in Contra Costa County.

The City of Concord has taken several steps to assist in the homelessness problem. The Zoning Ordinance allows group homes for the homeless to be established without a permit in all residential zones if no more than six individuals are cared for in a home and that proper State licensing for a care facility is obtained (requirements of the Uniform Building Code must be met). In multi-family residential and commercial zones, a shelter for more than six individuals is permissible with a Zoning Administrator's Permit. In the PD, Planned District, a Use Permit is required for all development, including shelters. The City of Concord is currently considering a \$200,000 contribution to Shelter, Inc. for fiscal year 1990-1991. In July, 1989, the City of Concord approved a Use Permit for the Battered Women's Alternative to establish a 15-unit temporary shelter facility for battered women and in February 1990, a day program facility with administrative offices for Phoenix Programs was approved.

The number of homeless persons in Concord will be further defined by the Federal Census. The 1990 Census, in response to public concern, will be conducting two ambitious operations to count the homeless. The first of these operations, known as "shelter and street night", was conducted on March 20, 1990. This enumeration included all hotels and motels costing \$12 or less per night, hotels and motels used entirely to shelter the homeless regardless of cost, and pre-identified rooms in hotels and motels used for homeless persons and families. The second operation to count the homeless will be a part of the regular enumeration process. Included in this count will be categories for "doubled-up families", shelters for abused women, persons with no usual home living in tents at commercial campgrounds, and institutions such as local jails which may provide temporary shelter<sup>53</sup>.

### **OPPORTUNITIES FOR ENERGY CONSERVATION**

Rising energy costs have highlighted energy consumption patterns and opportunities for energy conservation. Energy use in residences and residential land development practices are perceived to offer a means for increased conservation and reduced energy use and costs. State regulations require that housing elements address such opportunities.

The California Energy Commission has developed standards for new residential construction and additions to dwellings. These standards are known as Title 24 requirements. Title 24 requirements are in addition to conservation requirements of locally adopted Building Codes. The City of Concord enforces compliance with the Title 24 requirements.

The City of Concord maintains a variety of policies which are inherently energy and cost efficient. These include:

- Encourage infilling of vacant parcels.
- Planning and zoning for multi-use development with higher residential densities adjacent to future employment.
- High density residential zoning adjacent to Concord BART and major arterials.
- Permitting common wall and cluster development.
- City Transportation System Management (TSM) ordinance and procedures.

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<sup>53</sup>"Counting the Homeless", an article contained in The California State Census Data Center Newsletter, published by the State of California Department of Finance, Volume 8, No. 1, December 1989, pages 5 and 6. For more information about the homeless count in the 1990 Federal Census, contact Cynthia Tauber, Population Division, Bureau of the Census, Washington, D.C., 20233, (301) 763-7883.

- Promotion of passive and active solar design elements and systems.
- Curbside recycling program.

The land use patterns and policies of the City of Concord contribute to energy conservation. Medium density development is typically located along or near arterial streets which provide transportation services. For example, apartment development on the Clayton Road corridor supports the most successful bus route in Central Contra Costa County. Similarly, other high density residential projects area located in the Downtown area within walking distance of public transit, retail and employment centers. This siting encourages reduced dependency and use of the private automobile. City policies, allowing up to 100 units per acre in the Downtown, foster high density residential development in the City's Downtown core area. The Redevelopment Agency is currently negotiating a development agreement for a 364 unit apartment and retail complex adjacent to the Concord BART Station and other high density residential developments are in the planning, permitting or construction phase.

### III. ASSESSMENT OF RESOURCES AND CONSTRAINTS AFFECTING HOUSING PRODUCTION

#### PRIVATE SECTOR RESOURCES FOR HOUSING PRODUCTION

##### **PRIVATE NON-PROFIT DEVELOPERS**

A success story in the provision of low and moderate income housing in the Bay Area has been the emergence of private non-profit housing development corporations who, in joint development projects with the private sector, have produced thousands of high quality affordable housing units over the past ten years. The affordable housing produced by private non-profits has included multi-family, single family, rental and ownership opportunities. The location of housing built by private non-profits is not restricted to any community or setting, each of the nine Bay Area counties contains housing built by one or more private non-profit groups.

The strategy employed by private non-profit corporations to successfully produce affordable housing includes two components. Prior to construction, the private non-profit gathers resources for funding a project from a variety of sources. Contributions from private business; federal, state or local funding or land grants; development approval concessions including fast-tracking of permits and qualifying for density bonuses; sales of tax-exempt bonds; historic tax credits and other tax credits; mortgage credit certificates; Redevelopment Agency assistance; the right of non-profit corporations under California law to option and purchase surplus public lands at fair market value before the land is put out to public bid<sup>54</sup>; and other public and private sector resources for producing affordable housing are combined in support of a development. Secondly, the development itself often will include a mixture of affordable units and market rate units. The profit earned on the market rate portion of the project is then reinvested as a subsidy to the next project built. This is the strategy employed by one of the most successful private non-profit housing development corporations, Bridge (an acronym for the Bay Area Residential Investment and Development Group).

Bridge has produced 2,500 housing units over the past six years with an additional 1,000 units in the approval process. Approximately one-half of these 3,500 units are for low and moderate income households. Bridge produces high quality housing with an emphasis on attractive well-built development and on long-term management of the housing units. Bridge has received numerous awards and honors. In 1988, the Urban Land Institute selected the Pickleweed Apartment Project in Mill Valley as, "the best example of affordable housing in the nation." Builder Magazine has ranked Bridge as the nation's 125th largest developer with over \$300,000,000<sup>55</sup> in housing constructed, under construction, or in the approval process in 32 developments in the Bay Area. In Contra Costa County, Bridge played a development role in the Americana Apartments which provide 40 below market rate units in a 200 unit development, 250 units in the Richmond City Center Project and 216 units at Garrity Ridge in Pinole. In total, non-profit developers have produced over 8,000 affordable housing units in the Bay Area over the last ten years<sup>56</sup>. Other significant private developers and managers of low and moderate income housing active in the Concord housing market include Concord Homes, Ecumenical Association for Housing, East Bay Services, Phoenix Programs, and Eden Housing.

<sup>54</sup> Annual Report, Bridge Housing and Development Corporation, 1988, page 8.

<sup>55</sup> ibid, page 14.

<sup>56</sup> "Bridging the Housing Gap", Planning Magazine, February 1990, page 18.

## NON-PROFIT LENDERS AND INTERMEDIARIES

Access to reasonably priced and flexibly underwritten capital is essential to the construction and rehabilitation of low-income housing. The perceived risks surrounding a low-income housing project can drive up the cost of funds and create restrictions on the use of funds that are incompatible with the needs of low-income housing developers. Low-income housing is often created through a partnership of lenders, governmental agencies, for-profit and non-profit developers. The cooperation and coordination required in these projects together with the regulatory requirements which are brought to bear on a project add additional risk to a lender. To improve the access to capital and to reduce risks associated with low-income housing developments, non-profit lending corporations have emerged. These corporations specialize in the business of providing funding for low-income housing. They offer a range of services including lending their own funds and packaging loans for institutions who are less familiar with the specialty of lending on low income housing. In addition, non-profit lenders provide technical assistance to parties interested in producing housing and they act as an advocate, promoting the message that lending on low-income projects need not be a risky business.

One active non-profit lender is the Low Income Housing Fund (LIHF) of San Francisco. LIHF assisted the development of 44 projects creating 1,738 units of Low and Very Low income housing in the first four years of its' existence (1984-88)<sup>57</sup>. LIHF also provides assistance to programs for the homeless, disabled, seniors, battered women and veterans. Non-profit lenders, such as LIHF, have demonstrated that a non-governmental entity can successfully bring financial expertise and assistance to bear on the problems of providing low-income and special needs housing. To quote the President of LIHF, Daniel Leibsohn, as recorded in the February 1989 issue of California Banker:

"Structured appropriately, sound loans can be made in low-income communities to help residents flourish and remain in place, if they chose. When a neighborhood improves but existing residents are forced out, its physical problems may improve but the human problems are merely relocated. With access to capital, the human problems can also be addressed, low-income people can remain in their neighborhoods as improvements occur, and people and neighborhoods will have the opportunity to live in dignity."

Projects in the Bay Area which LIHF has assisted include:

Calistoga Gateway, Silverado Trail--Calistoga: LIHF is applying to the Bank of America for a \$270,000 land acquisition loan on behalf of Napa Valley Ecumenical Housing, which has proposed new construction of a 46-unit Very Low income apartment complex on the site.

Bridge House, 335 West Alisal Street--Salinas: LIHF has an outstanding commitment to provide a \$108,000 interim acquisition loan to Interim, Inc. for this 5-bed transitional and permanent housing facility for homeless and at-risk men and women.

1706 9th Street--Berkeley: LIHF packaged a \$114,000 loan to Savings Association Mortgage Company on behalf of Berkeley Resources for Community Development. LIHF also provided a \$10,500 gap loan for this 5-unit limited equity cooperative.

Margarita House, 442 Margarita--Palo Alto: LIHF is assisting Veteran's Workshop in the acquisition of an existing 7-bed group home for homeless men with a \$40,000 acquisition loan.

<sup>57</sup>"Leveraging Summary: July 1984 - June 1988," contained in the 1987-88 Annual Report of the Low Income Housing Fund, 605 Market Street, San Francisco, CA 94105, page 3.

**San Francisco Residential Hotels--San Francisco:** LIHF currently has an outstanding commitment to lend \$400,000 for the start-up and operating costs associated with 4 large downtown residential hotels (457 units). The borrower will be a limited partnership whose general partner, the North of Market Development Corporation, will be representative of the Chinese Community Housing Corporation, and the Tenderloin Neighborhood Development Corporation.

## **STATE, FEDERAL, AND LOCAL RESOURCES FOR HOUSING PRODUCTION**

### **REDEVELOPMENT AGENCY COMMITMENT**

Over the past fifteen years, the state legislature has enacted a series of revisions to the California Community Redevelopment Law requiring redevelopment agencies to participate in the production of affordable low and moderate income housing. The legislative requirements regarding low and moderate income housing fall into three categories: 1) expenditure of tax increment revenue to increase and improve the supply of low and moderate income housing in a community; 2) requirements that redevelopment agencies replace low and moderate income housing which is destroyed as a result of a redevelopment project; and 3) requirements that a portion of all housing constructed in a redevelopment project area be affordable to low and moderate income persons and families. An agency is required to set aside 20% of all tax increment generated from the project area for the purpose of increasing and improving the community's supply of low and moderate income housing. The tax increment revenues set aside must be placed in a separate Housing Fund. A broad range of uses are authorized for the housing fund including acquisition of land or buildings; construction of buildings, land write downs and disposition; on-site improvements or off-site improvements; rehabilitation of buildings; joint projects with other public agencies; and provision of loans or subsidies for the financing of housing. The activities authorized are broad enough to allow many approaches and structures for redevelopment agency participation in the production of low and moderate income housing.

The Housing Fund must be spent on housing which is affordable to households whose incomes do not exceed the low and moderate income level. The maximum income level for moderate income is 120% of the area median income as established by the Department of Housing and Community Development using United States Department of Housing and Urban Development standards. Agencies may also set aside some of the housing for "low income" households (80% of median income) or "very low income" households (50% of median income). The cost for housing for any project should not exceed 25% of gross income of the project occupants.

New or substantially rehabilitated housing, which is assisted from the Housing Fund, must remain affordable to low and moderate income households for a minimum time period. In the case of new or substantially rehabilitated rental housing, the assisted housing units must remain affordable for at least 15 years. For owner occupied housing, the units must remain affordable at least 10 years. New or substantially rehabilitated owner-occupied units do not need to remain affordable when sold in less than 10 years if the agency has a program such as equity sharing, deferred loans, or resale controls which, upon sale of the assisted unit, provides for the agency to receive a share of sale proceeds. Proceeds are allocated back to the Housing Fund.

Since fiscal year 1984-85, the Concord Redevelopment Agency has participated in, or has been the developer of the following low and moderate income projects and programs:

<u>Project/Program</u>	<u>Funds Committed</u>	<u># of Subsidized Units</u>	<u>Other Financing Sources &amp; Amounts</u>	
1) Homeownership Opportunities Program, 2nd mortgages for downpayments for condos, <u>completed</u> (family)	\$ 144,420	8 Moderate Income For Sale	CDBG	\$ Unknown
2) Plaza Tower, 96 units senior housing, land grants, <u>completed</u>	\$ 3,948,000	96 Low Income	CHFA CDBG Syndicator Developer	\$ 4,627,000 150,000 335,581 863,770
	Property Tax Payments, <u>annual</u> (senior/disabled)	\$ 130,000		
3) Broadway Plaza Condos, 87 units, land write-down, <u>completed</u> (family)	\$ 429,000	22 Moderate Income For Sale	County and City issue mortgage financing	\$ 3,000,000
4) Park Terrace Apartments, 45 units, land write-down, <u>completed</u> (family)	\$ 310,000	9 Moderate Income	Developer/Bank loans	
5) Broadway Apartments, 72 units, land write-down and loans, <u>under construction</u> (family)	\$ 476,000	14 Moderate Income	Developer - Equity Bank loan	\$ 1,000,000 3,200,000
6) Sutter/California Apartments, 150 units (senior)	None, committed by DDA	31 Very Low Income	City to issue bond financing \$ 9,100,000	
	Total land price is \$816,000 - Agency will take a Promissory Note for \$100,000.		Agency Bond Proceeds - 3% interest due in five annual installments beginning in year 6-10	
		Agency to construct required off-sites for streets abutting the properties. Agency also paving for street abandonment including demolition and removal of streets/utilities (water line).	Estimated cost budgeted:	\$ 260,000
7) East Bay Services, 20 units for the developmentally disabled	\$500,000	20 Low Income	HUD 202 East Bay Services	\$1,000,000 \$50,000
Total Funds Committed:	\$ 5,937,420	200 Low and Moderate Income Assisted		
		478 Total Units Created		

In June of 1989, City staff recommended five goals to the City Redevelopment Agency to guide the Agency's housing assistance efforts. These goals are:

1. Increase opportunities Citywide for entry to homeownership status.
2. Promote housing development in the downtown, particularly through mixed-use projects.

3. Continue addressing needs for new and rehabilitated housing Citywide for Very Low, Low, and Moderate income households.
4. Encourage high quality housing in the downtown.
5. Retain historic flavor of sensitive downtown areas while allowing infill housing at appropriate scale.

The City and Redevelopment Agency are continuing to define the direction which Redevelopment Agency commitment will take in supporting the housing goals of the City. The Agency prefers that this direction be based on a Citywide analysis of housing needs and not be restricted to the boundaries of the Redevelopment Agency. The Housing Element could provide valuable guidance to the Agency's efforts over the next five years with specific projects determined by the Agency.

#### TAX CREDITS FOR LOW-INCOME HOUSING

Both federal and state governments provide tax credits to the private sector for the construction or acquisition and rehabilitation of affordable rental housing. Since their inception three years ago, tax credits have been used to fund several affordable housing developments in the Bay Area. While the utilization of the tax credits depend primarily on the project's developer, local governments can play a necessary role in providing the additional subsidies usually required to make tax credits work. Both the federal and state tax credit programs are administered by the California Mortgage Bond and Tax Credit Allocation Commission which allocates the available credits to projects statewide.

In the current era of limited state and federal subsidies for housing, the tax credits are one of the few remaining funding sources of any significance. To be eligible for tax credit, 20% of the units must rent to very low income households earning less than 50% of area median incomes, or 40% of the units must rent for incomes under 60% of the median. Tax credits can be used by non-profit developers and/or for-profit investors to build new apartments, buy and rehabilitate existing housing, or preserve existing subsidized housing through acquisition and/or refinancing.

Tax credits have made possible a number of very affordable housing projects in the Bay Area. They have given non-profit developers a useful tool and the combination of the tax credit and the opportunity to invest in lower-income housing has attracted a number of investors. Developers can sell credits directly to corporations and private investors or receive the equity from one of a number of investment entities now making tax credits available. However, to be successful, tax credit projects usually require an additional subsidy which can include no- or low-cost land, local government contributions, or density bonuses and other concessions.

The City of South San Francisco worked with a regional non-profit developer and a private builder to make possible Magnolia Plaza, a 125 unit senior rental project on a former school site. Subsidies necessary to make the project feasible included: surplus land from the City provided the site; equity in the project came from \$1.7 million worth of tax credit investment from a Bay Area corporation; bank secured financing at favorable terms; and local redevelopment proceeds and land use and fee concessions provided the financial subsidies necessary to make the project feasible. Sixty-two of the units rent for below market rates, and the project contains two large community facilities.

The first step for a local government to encourage the local use of the tax credit is to make available either through site acquisition and/or cooperation with a non-profit builder or motivated developer. In addition, a local government can identify subsidy sources appropriate for use with the tax credits. Local assistance in the form of no- or low-cost land, subsidies, and/or development concessions are necessary for the use of the tax credit to be successful.

### INVENTORY OF SITES SUITABLE FOR HOUSING

Adequate undeveloped land exists in the City of Concord to meet the housing needs of all income groups through 1995. Vacant lands to support 4,521 additional housing units under current zoning exist within the City limits. In addition, 900 units could be developed through mixed use redevelopment in the downtown and through the addition of secondary units, duplexes, and density bonuses in other residential areas (Table 46). This total capacity for 5,421 units under current zoning may be expanded within the timeframe of this Element (1990-1995) through annexation. Two parcels, one at the south end of Alberta Way and the "Sand Quarry" site on Ygnacio Valley Road could add a combined maximum of 814 housing units under land use plans currently adopted by the City. Total capacity may also be expanded through the rezoning process. The City of Concord, over the past five years 1985-1990, has approved rezoning requests that have added 80 units per year to the City's housing capacity. On a straight-line projection, rezoning could add an additional 400 housing units to the inventory of the City. The projection of 400 additional units through rezoning are not included in the estimate of total housing capacity contained in Table 46. The rezoning process is discussed in greater detail below.

The existing and projected housing needs prepared by ABAG reveal a need to construct 3,192 units over the five year period 1990-1995.<sup>58</sup> Concord's remaining vacant lands are adequate to meet this need. Concord's vacant lands are also distributed across a wide range of densities and locations making them well-positioned to meet the housing needs described in this Element. Approximately 2,354 units, or 43% of remaining capacity is located in the Downtown and with densities up to 100 units per acre. Approximately 99% of remaining Planned District lands, or a capacity for 2,145 units, will accommodate attached townhome, condominium and apartment construction. The 192 units which could be built on remaining multi-family zoned lands (Table 46) would also support similar medium density development at 14 to 24 units per acre. The remaining Planned District lands and the 166.5 acres of single family zoned land would produce approximately 800 units at densities in the range of 1 to 7 units per acre. An additional potential for 400 units is contained in all residential zones for residential development including duplexes, secondary units and density bonus (Table 46).

The ownership of vacant lands is primarily within the private sector although significant sites are available to the Redevelopment Agency for residential development. These include the Laguna - Galindo Triangle adjacent to the Concord Bart Station which could support approximately 350 units. There are several School District sites near the Downtown area which may be subject to development for housing. One site, the Olympic School site, has been preapproved for mixed use commercial and residential development including 180 units of medium density (10 to 30 unit per acre) housing. Concord's vacant lands, while becoming scarce, are suitable for the wide range of housing types, densities, and ownerships necessary to address Concord's housing needs 1990-1995. Following 1995, few vacant lands will remain. ABAG projects a rate of population growth for Concord in the second half of the decade 1995-2000 similar to the expected rate of growth for 1990-1995. If housing demand is comparable in the second half of the decade, Concord will not be able to supply vacant land to meet housing needs to the year 2000. Rezoning, which has been a significant source of capacity for the development of housing will become more important as vacant lands are developed.

<sup>58</sup>ABAG projected a 1988-1995 housing need at 3,9023 units for Concord. 731 units were constructed 1988-1989. 3,923-731 + 3,192 units required for 1990-1995.

Table 46. UNDEVELOPED RESIDENTIAL LAND, City of Concord, 1990.

SINGLE FAMILY ZONES<sup>1</sup>

<u>ZONE</u>	<u>ACRES</u>	<u>DENSITY</u>	<u>UNITS (EST)</u>
OSR - Open Space Reserve	18.8	1 unit/ac.	18
R-40 Single Family	3.5	1 unit/ac.	4
R-20 Single Family	16.6	2 units/ac.	27
R-15 Single Family	12.2	2.5 units/ac.	28
R-12 Single Family	43.5	3 units/ac.	129
R-10 Single Family	25.1	4 units/ac.	95
R-8 Single Family	15.6	5 units/ac.	66
R-7.5 Single Family	3	5.5 units/ac.	14
R-7 Single Family	5.2	6 units/ac.	26
R-6 Single Family	23	7 units/ac.	365
subtotals	166.5		772 772

MULTI-FAMILY ZONES<sup>2</sup>

<u>ZONE</u>	<u>ACRES</u>	<u>DENSITY</u>	<u>UNITS (EST)</u>
FAR .2-.4	3.5	20 units/ac.	70
M 1.8	.5	24 units/ac.	10
D-3	.3	14 units/ac.	4
APO	3.6	24 units/ac.	85
NTS	1.3	18 units/ac.	23
subtotals	9.2		192 192

## PLANNED DISTRICT

<u>ZONE</u>	<u>ACRES</u>	<u>DENSITY</u>	<u>UNITS (EST)</u>
PD Multi-Res.	44.2	43-100 units/ac.	2145
PD Single-Res.	4.9	6 units/ac.	29
subtotals	49.1		2174 2174

## COMMERCIAL AND BUSINESS

<u>ZONE</u>	<u>ACRES</u>	<u>DENSITY</u>	<u>UNITS (EST)</u>
NC	2.8	43 units/ac.	313
DB	8	43-100 units/ac.	412
subtotals	10.8		725 725

## Added Potential

All residential zones (duplexes, density bonus, secondary units)	400
Downtown Business zone (mixed use residential potential)	500
Under Utilized parcels	658
	GRAND TOTAL 5421 units

<sup>1</sup> Emergency and transitional housing is allowed in all residential zones. No permit is required for facilities serving six or fewer clients.<sup>2</sup> Mobile home parks are permitted in all multi-family zones and in the neighborhood commercial zone.

Source: City of Concord Planning Division

Through zoning actions, the City of Concord has created a capacity for 402 additional housing units since January 1, 1985. One annexation added 105 single family residential lots for a total expanded capacity of 507 housing units. The City of Concord approved twenty four of thirty six rezoning requests from January 1985 to January 1990. Of the twenty four approved requests, twenty resulted in increased density (414 housing units added). Four rezoning actions resulted in a loss of 12 housing units, for a net increase in zoning capacity of 402 units. In the twelve rezoning requests denied, a potential increase in zoning capacity for an additional 83 housing units was not realized. Two zoning requests during the period involved transferring land to a non-residential classification. Each rezone had no effect, however, on the total capacity of Concord to accommodate residential development. The Mt. Diablo Unified School District rezoned 15.71 acres of R-6 zoned land to LI-Light Industrial to reflect its actual use and 5.8 acres adjoining Highway 24, which was unsuitable for residential

development, was rezoned from "S" Study District to LI-Light Industrial to accommodate a self-storage facility.

In a 1989 report titled, "Zoning for Industrial Development in the City of Concord", graduate student Cecilia Cox surveyed industrial development trends in the Concord area. This report found an undersupply of industrial land in the City of Concord. Industrial land values and rents, the report cited, were rising due to competition for industrial land by commercial uses and demand for light industrial land uses such as "incubator" firms, sales and service oriented operations, manufacturing operations with in-house sales activities, and research and development firms<sup>59</sup>.

Using the market as a guide, it is clear that Concord does not contain excess industrially zoned lands. There are opportunities, as Ms. Cox's report notes, to make more efficient use of industrially zoned lands through mixed use zoning and performance standards. Concord's commercial zones allow mixed residential and commercial use. Although it would be undesirable to allow residential uses in industrial areas, the introduction of limited retail activities to industrial zones could provide for additional residential development opportunities in commercial zones.

Table 47 details changes that have occurred in each zoning category. Single-family residential zones (OSR through R-6) lost 5.886 acres but gained a capacity for 44 additional housing units. This was the result of a net transfer of single-family residential land to multi-family zoning and an increase in density within the range of single family zones. The most common increases in density resulted from the approval of R-10 and R-8 zoned land for rezoning to the R-7 and R-6 categories<sup>60</sup>. The average density of undeveloped single-family residential land increased from 3.608 units per acre in 1985 to 3.672 units per acre in 1989 through the trend to rezone single-family land to higher densities. This change represents approximately a 1.7% increase in density of remaining undeveloped single-family residential land in the City for the five-year period.

Multi-family residential land gained 6.136 acres for an increased capacity of 207 housing units. The average density of multi-family zoning categories increased significantly during the period, increasing from 17.97 units per acre to 20.6 units per acre or an increase in density of remaining undeveloped multi-family residential land of 14.6% from 1985 to 1989. The Planned District category gained 6.7 acres for 122 additional housing units. The Neighborhood Commercial and Downtown Business District zones increased a combined 2.243 acres for an expanded capacity of approximately 29 units<sup>61</sup>.

<sup>59</sup>"Zoning for Industrial Development in the City of Concord", a report prepared for the City of Concord by Cecilia Cox, Candidate for Masters of Business Administration, University of California at Berkeley, April 25, 1989, page 48.

<sup>60</sup>The number designator is the minimum allowable lot size for the zone in 1,000's of square feet. For example, R-7 = 7,000 sq. ft. minimum lot size, R-15 = 15,000 sq. ft. minimum lot size.

<sup>61</sup>Expanded capacities are calculated on a net basis. If the previous zoning allowed 20 units per acre and the newly approved zone allows 25 units per acre, the expanded capacity would be 5 units.

**Table 47. ALTERNATIVE ZONING BY DISTRICT, City of Concord 1985 to 1989**

<u>ZONING</u>	<u>ACREAGE NET GAIN/LOSS</u>	<u>HOUSING UNITS NET GAIN/LOSS</u>
Single Family	- 5.886	+ 44
Multi-Family	+ 6.136	+ 207
Planned District	+ 6.700	+ 122
Commercial	<u>+ 2.243</u>	<u>+ 29</u>
Total:	+ 9.193 acres	+ 402 units

Source: City of Concord Planning Division

The net increase of 9.193 acres resulted from the rezoning of 8.57 acres of land previously zoned "S" - Study District and .623 acres of land zoned SC - Service Commercial. Table 46 presents an inventory by zoning district and density range of the remaining residential land in the City of Concord.

The estimates in Table 46 do not include two large parcels which may be annexed to the City of Concord. These parcels, 512 acres at the South end of Alberta Way known as Crystyl Ranch and the "Newhall Lands" at the Sand Quarry site on Ygnacio Valley Road, could add a maximum of 814 units under land use plans currently adopted by the City.

### **CONSTRAINTS TO HOUSING PRODUCTION**

#### **LOCAL GOVERNMENT CONSTRAINTS**

##### **Permit Process**

An individual or builder who wishes to construct housing must receive approvals from a variety of local boards, departments, and commissions. Reviewing a list of agencies and boards that must be dealt with begins to create an understanding of the complexities of the development process (Table 48). To complete the development review process, the following is required: 1) a knowledge of applicable regulations and local requirements; 2) the submission of technical and informational materials, 3) willingness on the part of the developer or their agent to attend hearings and possibly make revisions to submitted plans; and 4) the financial ability and persistence to see a project through to completion.

The following table provides an overview of boards and agencies who may review a project. This is not intended to be complete, but rather to give some sense of the broad range of requirements that must be met and the participants involved.

**Table 48. AGENCIES INVOLVED IN THE DEVELOPMENT REVIEW PROCESS, City of Concord, 1990**

<u>RESPONSIBLE AUTHORITY</u>	<u>AREA OF CONCERN</u>
Building Department	Construction inspections. Administration of building, electrical, fire and plumbing codes. Building and occupancy permits.
Planning Commission	Approvals of Subdivision plans, including streets and roadways, water and sewer systems, drainage, utilities, open space, buffers, easements, landscaping.  Site Plan Review; Special Use Permits.
Flood Control District	Flood plan administration.
Health Department	Administration of Sanitary Code.
Department of Public Works	Enforcement of minimum standards: grading plans and drainage; curb cuts, rights of way, sidewalks, lighting; sewer and water installation.
Sewer and Water Districts	Sewer and water availability.
Zoning Board of Appeals	Appeals from Building Department. Variances; special permits.
Fire District	Vehicle access; fire and smoke alarms.
Design Review Board	Community Design Guidelines.
Housing Authority	Consistency with low-income program requirements.
Redevelopment Agency	Consistency with program requirements.
City Council	Zoning changes.

Source: Affordable Housing: Streamlining Local Government Regulation, prepared by the U.S. Department of Housing and Urban Development by the NAHB National Research Center, July 1987

The Center for Urban Policy Research at Rutgers University has concluded that overly severe regulations and their administration can add as much as 20 percent to the cost of a new home. In addition, the Homebuilders Association has pointed out that unreasonable regulations can add an average of \$10,000 to the price of every house built<sup>62</sup>. The permitting approval process has grown piecemeal in response to local concerns pertaining to growth. The inclination has been to "add on" rather than to refine existing procedures.

Delays may occur in the development approval process for a number of reasons:

- Over-crowded agendas.
- Unclear language in regulations.

<sup>62</sup>Affordable Housing: Streamlining Local Government Regulation, prepared by the U.S. Department of Housing and Urban Development by the NAHB National Research Center, July 1987, page 3

- Lack of standards and differing interpretations as to what is required.
- Fluctuating interpretations of requirements as members of boards, commissions and councils change.
- Additional requirements added once the review process has begun or approval has been given.
- Differing regulations of each community placing a burden on the developer to comply with the proper requirement.
- Understaffing of local government.
- Inadequate training/education for new board, commission and council members.
- Abuse of the public prerogative to, "change the rules in the middle of the game" to address momentary concerns.
- Underuse of administrative approvals resulting in the referral of development proposals to commissions and boards which could receive adequate review at the staff level.

Often, poor drafting of local ordinances can contribute considerably to delays in the approval process. In San Mateo County, consultants estimated that a new, well-drafted zoning ordinance could save one person-year annually in the planning department and cut in half the time spent by a deputy district attorney on zoning matters.<sup>63</sup> Common faults in local ordinances include a lack of cross-referencing, the use of legal English instead of plain English, inadequate definitions, inclusion of provisions which the community has no intention of enforcing, and a lack of consistency within and between ordinances.

Developers, themselves, may contribute to unnecessary delays through:

- Lack of understanding the regulations and policies due to insufficient study.
- Attempting to place more units on land than the land will accommodate.
- Failure of the developer to adhere to local requirements.
- Lack of market research.
- Insufficient information/materials provided by the developer.
- Insensitivity to the environment and surrounding residents.
- Failure of the developer to meet with boards who have no specific jurisdiction but who may have an interest in the development.
- Using an engineer where an architect is required.
- Poor planning resulting in insistence on "fast-tracking" a project.
- Not being open and receptive to new design approaches.

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<sup>63</sup>"Streamlining Land Use Regulation", a guidebook for local governments prepared for the U.S. Department of Housing and Urban Development Office of Policy Development and Research by John Uranicar, Welford Sanders and David Mosena, November 1980, page 41.

- Treating "lower boards and commissions" as inconsequential in receiving final council approval.
- Proposing "cookie cutter" plans with few redeeming qualities.
- Resistance to changing portions of a project to mitigate public concerns.
- Failure to be sensitive to issues which are of concern to a particular community.

It is clear that regulations are needed to ensure quality development and to protect the environment. Communities need to take a periodic look at existing regulations and procedures to discover how they can be simplified and made more timely. Clear, reasonable guidelines, with enough flexibility permitted to developers to encourage innovation and adaptation to market and community needs are the responsibility of local government.

### **City Land Use and Development**

The City's attitude toward development has been to facilitate improvements which are consistent with City plans and policies. The General Plan provides: areas of high density (40-100 dwellings/acre) in the central portions of the City; medium density (24 dwellings/acre) along some major arterial streets; and large neighborhood areas of lower density consisting of single family densities of 6,000 to 40,000 sq. ft. lots and "townhouse" densities in a range of 7-16 dwelling/acre. With the exception of the last-named types, this general pattern was established in the mid 50's with the City's first General Plan and has been reaffirmed by subsequent plans, revisions and updates. Today, the existing zoning districts and densities reflect the plan policies. Some constraints exist, however:

- Lot Size/Availability. It is a general rule that the larger the lot the higher the price, and the higher the demand the more any lot size will cost.
- Lot Frontage and Setback Requirements. The minimum frontage required for a lot also affects the cost of housing, particularly in smaller lot zones. Site preparation costs for such improvements as streets, curbs, gutters, grading, etc., increase with the number of feet of lot frontage. Site development costs vary by linear foot of lot frontage so that an increase in frontage can result in a substantial increase in development cost and ultimately in the sale price of housing. Setbacks also affect the cost of housing in that they determine the amount of lot which is available for building. The larger the setbacks, the larger the lot size required to build the same size house, which again, can ultimately raise the final purchase price.
- Subdivision Requirements. The process of subdividing the land and making the necessary improvements to ready it for development can constitute up to 15% of the final purchase price of a home (not including raw land purchase cost). The degree to which subdivision costs can add to the final purchase price of a home depends, in part, on the level of City-imposed standards for such improvements as the size and type of sewers and storm drains, street widths and paving materials, sidewalks, etc.

Residents frequently resist changes in the established development and zoning patterns to allow increased density. In addition, as Concord has developed, the sewers and roads have been designed in accordance with City plans and policies. Numerous and substantial increases in density may further impact the street and sewer systems which are nearing the capacity limits. For these reasons, infill development within low density neighborhoods will tend to be low density similar to that of adjacent improvements.

There are some vacant sites near major arterials, designated for medium density development. Other properties have not been developed to date in hope of future rezoning to allow higher density or commercial uses. There are potential sites for high density development in the Central Concord Redevelopment Project Area. A portion of the tax increments from new development within the Redevelopment Project Area will be available for low and moderate income housing programs. The availability of this tax increment funding is dependent upon private development.

### City Infrastructure

There are only a few areas in the City and its sphere of influence not served by adequate sanitary sewers, storm drains and treated water mains. Storm drainage and water facilities normally are designed prior to issuance of building permits in conformance with established standards of the City and the County Water District. The storm drains and water mains evolve as developments are approved by the City and subsequently built. These costs will ultimately be passed on to subsequent owners as the value of property is increased.

Sanitary sewers represent a constraint to housing in that sewers are operating at capacity in the vicinity of Alberta Way and south of Ygnacio Valley Road. Developments approved to date will cause the pipes to run full during wet weather. Past capacity shortages in a larger area of the Clayton Valley have been resolved by the construction in 1982 of a new sewer trunk line.

The Central Contra Costa County Sanitary District indicates that their treatment plant likely will be operating at ultimate capacity some time in the future and additional treatment capacity will need to be provided and funded in order to serve future populations. These costs, too, will be passed to subsequent owners, as sewers are a crucial development expense which the city is unable to absorb.

Portions of Concord's street system are operating near capacity, particularly during the afternoon peak period. Increases in density without adequate transportation improvements will diminish the level of transportation service on Concord's. Concord has embarked on a progressive, forward planning transportation impact mitigation program which requires transportation improvements on-site as well as in the general area of a project and which also assesses development fees to provide off-site traffic improvements (OSIP fees). In addition, voter approved Measure C, which establishes level of service standards and requires a growth management program, will be implemented in Concord. New growth will be required to pay for costs associated with that growth. Locating housing near jobs and successfully encouraging workers to reside in, or near, the cities they are employed, are key elements in managing growth and transportation impacts. Measure C requires these jobs/housing balance issues be addressed:

"As part of its Five Year Capital Improvement Program and pursuant to the state mandated housing element of its General Plan, each jurisdiction shall develop an implementation program that creates housing opportunities for all income levels.

Each jurisdiction shall also address land use information as it relates to transportation demand as well as a discussion of each jurisdiction's efforts to address housing options and job opportunities on a city, subregional and countrywide basis."<sup>64</sup>

<sup>64</sup> The Revised Contra Costa Transportation Improvement and Growth Management Program, Contra Costa Transportation Partnership Commission, adopted August 3, 1988, page 12.

### City Permit Process Timeline and Fees

From all indications, the City of Concord acts upon permits in an expeditious manner, e.g.:

Use Permit and Tentative Subdivisions:	30-60 days
Final Maps:	7-14 days
Design Review:	30-60 days
Building Permits:	1-21 days

Many residential projects, detached single-family units and apartment units require only a subdivision or Design Review approval, respectively.

Nonetheless, the City regularly reviews all permit procedures to simplify and expedite the processing. In past years, City staff members have met together and with representatives of the building industry, the design and engineering professions and a State Assembly member and a State Senator to discuss common concerns.

With regard to planning fees, Concord's permits have historically been low compared to other agencies.

The City staff has reviewed fees required for processing residential projects. Because of the variables involved, a flat fee per unit for all locations cannot be established, but using more or less typical examples of apartment, condominium and single-family residential subdivisions projects as base cases, fees amounted to about \$6,730 per apartment unit, \$7,710 per condominium unit and \$10,176 per single-family unit. With the variables involved, it appears that fees would add about 5% to the cost of a home.

The largest portion of these fees are for the Growth Impact Fees, Street Improvement Fees, and the Sewer Connection Fees which comprise about 50% of the total fees. Utility fees constitute about 25% of the total.

Most of these fees are indispensable to the City for providing facilities and processing applications. However, the City will continue to review all of the fees for their appropriateness and take steps to relieve any excessive burden being placed on residential developments.

### Condominium Conversion Regulations

During 1980, the City's Condominium Ordinance was thoroughly reviewed by a joint Planning Commission/City Council Committee, with input from individual condominium owners, apartment tenants, homeowners' associations, developers, realtors, and others. Numerous changes were made to assure protection of existing tenants and prospective buyers. The question of regulating the rate of conversion was debated at length. It was decided that the City should restrict conversion through application of high standards rather than any sort of quota system.

Information developed during the review of the condominium ordinance indicates that approximately 43% of the units converted to condominium ownership remain in the rental stock. Rental rates tend to reflect market prices rather than the condominium owner's carrying costs.

### Mobile Home Park Conversions, Discontinuance, or Closure

There are 11 mobile home parks in the City of Concord, with approximately 1,400 spaces for permanent residential use. The existing park spaces are predominantly occupied by retired elderly tenants who live on fixed incomes, in many cases solely upon Social Security.

When a mobile home in an existing park is sold, it is sold in place. There are virtually no vacant spaces in the mobile home parks in the City, and the number of vacant spaces in Contra Costa County is very small. Thus, spaces in the existing mobile home parks in the City represent an important component of the housing stock of the City, especially for senior citizens and persons of low and moderate incomes.

The conversion of existing parks to other uses would have substantial adverse economic effects upon the occupants in terms of cost of relocation, scarcity of similar housing within a reasonable proximity to the city, and the significantly higher costs of other types of housing in the immediate area if such occupants cannot relocate to other mobile home parks.

State law requires that prior to the conversion of a mobile home park to other uses, or prior to the closure of a park or the cessation of use of the land as a mobile home park, or at the time of filing of a subdivision map for a subdivision resulting from any such conversion, the proponent of the proposed change of use must file a report of the impact of such change with the public agency having jurisdiction over the mobile home park (Government Code Sections 65863.7 and 66427.4).

In response to the circumstances explained above and in compliance with State law, the City of Concord passed an ordinance (Ordinance 88-13) which provides for uniform procedures for considering requests for a conversion, closure or cessation of use of a mobile home park. The procedures include: an application process; public hearing requirements; and the approval of a relocation plan which specifies the benefits to be offered to existing mobile home owners in the park.

In summary, local governmental constraints to the maintenance, improvement or development of housing for all income groups can be classified under the headings: land use controls, building codes and enforcement procedures, on/off site improvement requirements, fees and exactions, and processing and permit procedures. The following discussion identifies potential and actual governmental constraints to housing in the City of Concord.

Land Use Controls The City of Concord regulates the use of land within the City limits through the General Plan, Specific Plans, Redevelopment Area Plan, the Zoning Ordinance, and the Subdivision Ordinance. In addition, Measure C, the voter approved growth management measure, sets level of service standards for development. Several significant modifications to the City's land use controls have been made since the update of the Housing Element in 1985 to improve the availability and affordability of housing for all income levels. Parking standards have been modified to reduce development costs for special needs and senior housing, park land dedication standards have been restructured to equitably distribute costs between housing types, infill subdivision standards have been implemented to facilitate a high standard of housing development on parcels with significant physical obstacles to development, and parcel size minimums have been reduced in Planned District areas to encourage innovative and flexible development plans on remaining vacant parcels. Land use controls in the City of Concord promote the development of housing across a wide range of densities, from 100 units per acre in the downtown area to one unit per acre in environmentally sensitive locations. The City of Concord provides the widest range of housing densities found in any city in Central Contra Costa County.

Measure C encourages the creation of housing opportunities for all income levels provided level of service standards are not exceeded. Measure C also addresses the issue of jobs/housing balance on a "city, subregional, and countywide basis" by requiring the City to "address land use information as it relates to transportation demand as well as discussion of each jurisdiction's effort to address housing options and job opportunities". Measure C, therefore, does not present a constraint to housing development.

This update to the Housing Element recommends a change to the Zoning Code which is necessary to encourage duplex construction in the City. Apart from this identified actual constraint to housing, the system of land use regulation employed by Concord does not provide actual constraints to housing development. Land use regulation in Concord establishes standards to promote the health, safety, and general welfare of the community. Efficiently administered, this system does not present actual or potential constraints to housing.

**Building Codes and Enforcement Procedures** The City of Concord requires all construction to meet the requirements of the Uniform Building Code. In accordance with state law, the renovation of historic structures may include the use of materials and construction methods as of date of original construction, unless a health or safety hazard would result. The City's Code Enforcement Officer responds to citizen complaints and investigates potential violations which may present a threat to the health, safety and general welfare of the community. Building codes and enforcement do not provide a constraint to housing development.

**On/Off Site Improvement Requirements** Construction standards in the City of Concord are those necessary to protect the health, safety, and general welfare of the community. Street widths in minor subdivisions are minimums required for emergency vehicles. Typically, a 20 foot street width is adequate for a minor subdivision (four or fewer lots). Roll curbs were allowed in Concord in the past. Roll curbing, however, is subject to breakage over time since vehicles are encouraged by its design to drive up and over the curb. The City is presently engaged in replacing roll curbing with standard curbs in various locations in the City. Lot widths in the City typically range from 60 feet (R-6 zone) to 110 feet (R-20 zone). These widths are minimums necessary to provide for adequate side yard setbacks and on-street neighborhood parking. Common driveway access for two or more homes may be approved. This arrangement reduces curb cuts and lowers construction costs. Off-site improvements are required when a nexus exists between the development and its impacts on facilities. On/off site improvement requirements do not provide a constraint to housing development.

**Fees and Exactions** Fees and exactions in Concord, which average \$6,730 per unit for apartment construction, \$7,700 per unit for condominiums, and \$10,176 per single family home are below average for the region. Fees and exactions add an estimated 5% to the cost of housing. Fees and exactions provide the City with a necessary source of income to fund basic services. Fees and exactions do not provide a constraint to housing development.

**Processing and Permit Procedures** The permit process in the City of Concord is designed to expedite all city land use permits. Since 1985, the Building, Planning and Public Works Divisions have been reorganized to provide a "one-stop" building permit procedure. For other land use permits, lines of communication and review have been strengthened between Divisions to shorten permit review timelines. The Planning Division offers pre-application conferences to prospective applicants at no charge and explanatory materials have been prepared on the application and review process to streamline permit processing. The City of Concord uses development agreements as authorized by Government Code Section 65864. Development agreements assist in establishing agreed upon conditions and a development timeline at the outset of a project. City of Concord processing and permit procedures do not provide a constraint to housing development.

## FEDERAL AND STATE GOVERNMENTAL CONSTRAINTS

Historically, Federal programs have been the major source used by local governments and developers for housing-related efforts. This commitment has been sharply reduced. The HUD budget which was \$33.9 billion in 1981 shrank to \$12.8 billion in 1987. State and local government has shouldered an increasing share of the responsibility of providing adequate housing. Recently, the State of California allocated \$370 million for a variety of housing-related programs. In addition, California cities in recent

years have been using Redevelopment funds and issuing tax-exempt and mortgage revenue bonds to address their housing needs.

### Conversion of At-risk Housing

In the 1960's, the federal government provided low-interest loans and rent subsidies through various programs administered by the federal Housing and Urban Development Department (HUD) and Farmers Home Administration (FHA). In return, private developers/owners agreed to build or operate rental projects which were protected by a 40-year low-income use restriction. In order to stimulate private participation, the owners were given the option to prepay their contracts prior to the loan maturity dates. As owners exercise their options and as these loans mature, the units may be sold or converted to market-rate units. In many cases, the tenants in residence are displaced and the inventory available to lower-income rental units declines.

The California Housing Partnership Corporation, created by the California Legislature in 1987 has published an inventory of low income rental units which are at-risk of conversion through loan maturity or early prepayment of their contracts. This report, titled, "Inventory of Federally Subsidized Low-Income Rental Units at Risk of Conversion," identified five developments in Concord totaling 548 units. Three projects, Clayton Gardens, The Heritage, and Clayton Villa are wholly senior housing. Concord Green was constructed for family rental and the remaining project, owned by Phoenix Programs, provides 11 units for the mentally ill. The Phoenix project is also owned by a non-profit corporation and is unlikely to be at-risk for conversion to market rates.

In total, 341 of 548 subsidized units in Concord are Section 8 rental assistance housing. In the Section 8 program, the rental payment of the tenant is limited to 30% of income with the difference between this amount and a rental rate set by HUD paid through a rental assistance payment. Section 8 subsidies are tied to the project and cannot be used by tenants if they move elsewhere. Table 49 summarizes the subsidized developments in Concord including the earliest possible termination date of applicable subsidies.

By September 1995, 330 units in Concord may lose their respective Section 8 program. In addition to the 341 units identified above, there are 457 Section 8 certificates and vouchers at scattered locations in Concord. The expiration date of these subsidies is not known. Of the total 798 Section 8 certificates and vouchers in Concord, 179 are held by elderly persons, 149 by the disabled and 594 by female heads of households.

**Table 49. LOW INCOME RENTAL UNITS SUBJECT TO TERMINATION OF FEDERAL MORTGAGE AND/OR RENT SUBSIDIES, City of Concord, March 1, 1989**

<u>PROJECT NAME</u>	<u>PROJECT TYPE</u>	<u>SUBSIDIZED UNITS</u>		<u>EARLIEST DATE OF SUBSIDY TERMINATION</u>	
		FHA	SECTION 8 <sup>1</sup>	FHA <sup>2</sup>	SECTION 8 <sup>3</sup>
Clayton Gardens	(senior)	131	(130)	Market Rate	4/1/95 (+5)
The Heritage	(senior)	196	(81) (40)	3/17/16	8/4/92 11/29/93
Phoenix Apartments	(mentally ill)	11	(11)	3/31/23	4/12/03
Concord Green	(family)	130		10/14/88	
Clayton Villa	(senior)	80	(79)	Market Rate	04/03/94 (+5)
			TOTAL	548	(341)

<sup>1</sup> Of FHA units, the number that are also subject to Section 8 rental assistance and accompanying restrictions.

<sup>2</sup> Market Rate = Market rate financing, no restrictions on the FHA loan portion of the subsidy.

<sup>3</sup> Numbers in parenthesis indicate years of subsidy still remaining at earliest date of termination.

Source: California Housing Partnership Corporation. Based on project status as of 3/1/89.

State law requires municipalities to address the issue of at-risk housing in their Housing Elements by 1992. In 1987, Congress began to act on the conversion issue by passing the Emergency Low Income Housing Preservation Act which precludes owner prepayment of their mortgages until September 1990, except with HUD authorization. The Act established a set of procedures which require owners who are eligible to prepay, and desire to do so, to submit a Plan of Action that describes how prepayment will not adversely effect the tenant's or the community's supply of low income housing. HUD is required to approve or deny these Plans. Given preliminary indicators from the negotiations on the first Plans of Action submitted to HUD, the Federal approach is not to approve prepayment but rather to allow owners to receive additional incentives and to make modifications to existing regulations which increase the owner's revenues in return for continuing use restrictions for the balance of the mortgage term, typically for an additional 20 years. Concord Green, with 130 units, has submitted a Plan of Action for HUD approval which, at this writing, has not been acted upon.

Concord is not the only city which is faced with the issue of conversion of at-risk housing. In California, an estimated 117,000 units in 1,600 projects are subject to termination of underlying subsidies by the year 2008. San Jose convened a multi-committee task force in 1989 to explore solutions to the pending loss of over 4,000 low income rental units in that city. The conclusions of this task force were:

The City of San Jose should:

- a. Take an active role, including working through the League of Cities, in proposing and supporting State and Federal legislative action.
- b. Support greater funding for Federal vouchers for displaced tenants.

- c. Focus resources on those projects that might convert to market rents before 1994.
- d. Request that a legislative interim hearing be conducted in San Jose to address the issue of market rate conversion.
- e. Take an active role in developing incentives which will allow landlords to retain units within the below market rental ranges.
- f. Investigate the use of loan guarantee programs.
- g. Investigate the use of stock ownership co-operative housing projects and explore the feasibility of funding for subsidized units in such projects.
- h. Establish a process for inspection of units to determine the extent of rehabilitation needed in order to assess the feasibility of various financing techniques to save the units.
- i. Explore the feasibility of using bonds to generate funds to be used to address this issue.

The conversion of 548 low income rental units in Concord is a constraint to the attainment of housing goals by setting the City that much farther behind in the effort to provide affordable housing for low income households. This loss, if it materializes, may also have negative social consequences through a possible increase in homelessness and increased costs for social services.

## NON-GOVERNMENTAL CONSTRAINTS

### Direct Land Costs

The supply of land is finite, and because Concord is a desirable place to live and work, the demand for housing in Concord is high. Simply, the fixed low supply and high demand for land and housing in Concord causes prices to be high.

On a per lot basis, the cost of land is estimated to be \$15,000 to \$40,000 per unit for multi-family developments, and \$60,000 per lot to \$105,000 per lot for single family residential property.

### Direct Construction Costs

Direct construction costs constitute approximately 50% of the cost of a new single-family home. According to the National Association of Homebuilders, labor and materials comprised 47% of the cost of a new home in 1984, down from 67% in 1949:

**Table 50. COSTS OF DEVELOPMENT, Single Family Development**

COSTS OF COMPONENTS	1949 (%)	1984 (%)
Land	11	22
Materials	36	31
Labor	33	16
Financing	5	11
Profit/Overhead	15	20
	100	100

Source: "Affordable Housing: The Years Ahead", a program paper of the Ford Foundation, August, 1989, page 14, Table 2.

In the City of Concord, direct construction costs have increased significantly since 1986. In 1986, the average single-family home cost \$59.49 per square foot to construct.<sup>65</sup> By 1990, construction costs jumped 31.1% to \$77.97 per square foot.<sup>66</sup> The average detached single-family home in 1986 cost \$130,448 to build (including garage). The average habitable area of a new home constructed in 1986 (excluding garage) was 2,070 square feet. By 1989, the average construction cost for all detached single-family homes built in Concord increased 21.4% over 1986 costs, to \$158,415. Although construction costs increased 25.9% from \$59.49 per sq. ft. in 1986 to \$74.91 per sq. ft. in 1989, the average home construction cost increased by the lesser percentage of 21.4% to 1986-89. This is due to a slightly larger average garage size over the period and a smaller average new home size. In 1989, the average new home included 1,982 square feet (inhabitable area) a decrease of 4.2% from the 2,070 square foot average in 1986. Other comparisons 1986-89 include:

Table 51. CONSTRUCTION COST STATISTICS, City of Concord 1986 to 1989

<u>SINGLE FAMILY DETACHED HOME</u>	<u>1986</u> (\$)	<u>1989</u> (\$)
Average Construction Cost	130,488	158,415
Median Construction Cost	132,568	159,062
Standard Deviation	23,394	42,674
Minimum Value	82,754	83,533
Maximum Value	259,103	289,422

Source: City of Concord Planning Division.

In multi-family construction, the Uniform Building Code requirements which limit wood frame construction (Type I construction) to four stories place prohibitive costs on buildings over four stories in height. Concrete and steel construction require buildings significantly higher than four stories, in most instances, to be economically feasible.

### Indirect Costs

Indirect development costs include: financing; overhead, such as sales and marketing costs; profit and taxes. These items affect the cost and price of houses, but are beyond the control of the City of Concord. Prior to the passage of Proposition 13, the City did have some influence over property taxes. However, with the passage of that legislation by the voters in California, the property tax rates are fixed and the City has no ability to raise taxes beyond a certain point.

Financing is a factor which is subject to the greatest increase or decrease over time. At today's 10% interest rates, the monthly cost to amortize a \$150,000 fixed-rate mortgage for 30 years is in excess of \$1,300 per month. The cost of a unit with a \$150,000 mortgage when taxes, insurance, and Homeowners' Association dues are taken into account is well over \$1,600 a month. We are thus in a position where only households with substantial incomes can afford to purchase a home without a substantial down payment. High interest rates affect not only housing being built for the ownership market, but also create a deadening effect on the construction of apartment units.

<sup>65</sup> Construction cost for the San Francisco area updated by "Building Standards Magazine" used by the City of Concord Building Division to set permit values on new single-family homes (finished habitable area only). Construction costs for garages averaged \$14.23 per square foot in 1986.

<sup>66</sup> Ibid

### Cost of Housing

After the sharp increase in housing costs first in the 1970's and then in the 1980's, housing prices remain high. Vacancies are very low and the supply is limited compared to the demand.

The Multiple Listing Service (MLS) of the Contra Costa Board of Realtors offers an indication of the cost of homes. The average price of MLS houses in Concord sold during 1978 was \$78,810. The average price in the whole Board area of Central Contra Costa County was \$88,516 in 1978. The figures in 1978 indicated that the average cost of a home in Concord was 81% of the average cost in the MLS Board area. By 1989, the average single family detached home in Concord sold for \$189,000. In 1989 the median price home in Concord sold for 26% less than the median of homes selling in sixteen neighboring communities in the Central Contra Costa area (see Table 25, Chapter II).

## IV. ASSESSMENT OF PREVIOUS HOUSING ELEMENT OBJECTIVES (1985-1990)

Concord has been very successful in achieving the five-year housing goals set in December 1984 for the period 1985 to 1990. An assessment of the effectiveness of each adopted goal has found strengths and some needed corrections in Concord's housing program. By learning from the past five years and incorporating the changing needs of the population, an effective housing program can be constructed for the upcoming five years. Chapter V contains the recommended five year action program and goals for 1990 to 1995.

### ASSESSMENT OF GOALS, POLICIES AND PROGRAMS (1985-1990)

#### GOAL 1

Promote the Availability of Suitable Housing at a Reasonable Cost for All Income Groups Residing or Who Wish to Reside in Concord

Assessment: This goal supports the long term economic and social viability of Concord and the region. Goal 1 promotes:

- Jobs/housing balance
- Reduced demand on transportation systems
- Improved air quality
- Reduced housing costs for all economic segments of the community
- An adequate labor supply for the area's businesses
- A vital and diverse population including a mix of housing types and income levels in the City
- Providing for the special housing needs of various groups including seniors, the disabled, large families, female-headed households, first-time home buyers, upper income households and the homeless

Achievement of Goal 1 depends on the success of supporting policies and objectives:

**POLICY 1: LOWER COST - SINGLE FAMILY** - Encourage the development and inclusion of lower cost housing in new single-family developments through flexible subdivision/zoning standards and smaller lot sizes. (NOTE: "single family" as used here includes "detached", "townhouse", and other variants. Condominiums are considered separately.)

**1985-1989 Objectives**

- Expand inventory of available sites
- Develop 40 single-family units priced below the Bay Area median cost for such units.

**Assessment:** "Lower cost housing" requires definition. In the context of the six policies identified under Goal 1, "lower cost housing" refers to all housing affordable to those earning less than 150% of median income (see Policy 5). This limit should be stated as, "at least 120% of median income", to be consistent with definitions used elsewhere in the Housing Element. Households earning above 120% of median are "above moderate" income households. Policies should correspond to the income classifications used in the Housing Element. These are:

Above moderate	120% of median income for the area, and above
Moderate	80% to 120%
Low Income	50% to 80%
Very low income	50% of median income for the area, or less

Regarding the 1985-89 Objective, "expand inventory of available sites", this should have been quantified in 1985 in order to assess meaningful performance over the ensuing five years. The inventory of sites for lower cost housing has expanded. Rezoning actions have intensified numerous residential sites in the City, resulting in a capacity for 402 additional housing units through twenty separate rezoning actions since 1985 (see Inventory of Sites Available for Housing, Chapter III).

More than 40 single-family units priced below the Bay Area median have been created. The Redevelopment Agency has created 127 low and very low income units since 1985. Townhouse developments, with selling prices below the Bay Area median, have accounted for more than 500 units since 1985. The objective to achieve, "40 single-family units priced below the Bay Area median", has therefore been achieved 15 times over.

**POLICY 2: LOWER COST - DUPLEXES** - Encourage the development and inclusion of lower-cost housing in new and existing single-family developments through increased flexibility and duplex development. (NOTE: "duplex" as used here refers to two dwelling units in a building on a single lot, generally signifying that at least one of the two units will be a rental unit.)

**1985-1989 Objectives**

- Increase production of duplexes to 65 units.
- Develop about 60 second units on lots zoned single-family.

**Assessment:** Duplex production totalled 44 units (22 structures) for the period 1985-1989. Although permits for 47 secondary living units were approved 1985-89, only 17 units have been constructed. These permits are valid for one year unless an extension is requested and granted. Five permit extensions were requested and granted over the time period, but no extended permits are currently active. Either the 1985-89 objectives were too optimistic, or the programs which provide for this type of housing require stimulation. Concord does permit corner lots to be occupied by duplexes on some corners in new subdivisions and existing corner lots if the lot has been vacant for two years and other criteria are met. This two-year vacancy requirement may be too stringent and should be reevaluated. Duplex production may be stimulated if these units are allowed to be condominiums. The City does not allow the condominium provisions of the subdivision ordinance to be applied to duplex units. This policy should be reviewed.

Secondary living units are allowed under liberal provisions. These units can be constructed in any residential zone, as attached or detached housing, covered parking is not required (all principal dwellings are required to provide one covered parking space), and the limitation of one accessory structure per lot is not applied to a second unit. This allows three structures on lots with a second unit but only two structures on the other residential lots. Secondary units may be no larger than 640 square feet and one bedroom. The primary deterrence to the construction of second units appears to be economic as costs are normally in the \$50,000 to \$60,000 range while rents are only \$300 to \$500 depending on amenities such as size, location, quality and age.

**POLICY 3: LOWER COST - MULTI-FAMILY** - Encourage the development of lower cost multiple-family structures through a variety of techniques, and maintain housing services to multi-family residents. (NOTE: "Multi-family as used here indicates rental apartments in buildings of three units or more.)

#### 1985-89 Objectives

- Increase production of rental units in multi-family structures as compared with the prior five years (i.e., provide 350 new multi-family rental units within the next five years).
- Provide some form of housing assistance to 120 low-income households.
- Establish and maintain an inventory of suitable sites, and provide information to interested parties.
- Modify parking requirements for multi-family developments, if indicated by a review of standards.

**Assessment:** The objective to produce 350 multi-family rental units was exceeded threefold with 1,098 apartment units created 1985-89. The extent to which this level of production improved housing opportunities for lower income households is not known. In 1989, 25% of Concord's housing stock occupied buildings with five or more units. This percentage of five+ unit buildings is considerably in excess of surrounding communities: Martinez 16%, Walnut Creek 18%<sup>67</sup>, Danville 4.1%, Clayton .05%, San Ramon 20%, Pittsburg 18%, and Contra Costa County which averages 18%<sup>68</sup>. Only Pleasant Hill, with 25% of housing units in 5+-unit buildings, equals Concord. No community has a greater percentage of its housing in buildings with 5+ units in Central Contra Costa County. This high level of apartment construction moderated rental costs in Concord and the region. Contra Costa County has the lowest apartment rental rates of the urbanized Bay Area counties according to a survey by the Bay Area Council (see Income and Affordability Analysis, Chapter II). Non-subsidized rental housing is the largest source of housing affordable to Concord's lower income households. Concord did produce 301 units of subsidized rental housing affordable to Low and Moderate Income households during the period 1985-1990.

Housing assistance is provided to 798 Concord households through the Federal Section 8 program. An inventory of suitable sites for multi-family construction was contained in the 1985 Housing Element although acreages, not specific sites, were listed in the inventory. The Planning Division of the City of Concord responds to all requests for zoning information. Parking requirements were reviewed and amended in 1988 to allow reduced parking ratios for multi-family housing for seniors and special needs groups (such as handicapped) on approval of the Planning Commission.

<sup>67</sup>Excludes the retirement community of Rossmoor.

<sup>68</sup>The percentage of five-plus unit buildings that are also condominiums is similar among cities in the County. Concord's condominium stock contains a higher percentage of rental units. For example, an estimated 17.1% of Walnut Creek's condominiums are rented while approximately 43% of Concord condominiums are rented.

**POLICY 4: CONDOMINIUMS** - Maintain standards for development of new condominiums and cooperatives, and the conversion of existing apartments; recognize condominiums as the major source of homeownership opportunities at the lower end of the market.

#### 1985-1989 Objectives

- Assure that condominiums and cooperatives continue to meet high standards of quality while providing for entry level housing and helping to meet rental needs.
- Raise the proportion of tenants who buy converted units, or who otherwise avoid displacement, to 30% or more in each conversion project.
- If condominium conversions in any year exceed 5% of the rental housing stock, the City will review regulations and determine if more stringent control should be enacted.
- Develop about 400 condominiums or cooperative units.

**Assessment:** During 1980, the Condominium Ordinance was thoroughly reviewed by a joint Planning Commission - City Council Committee, with input from individual condominium owners, apartment tenants, homeowners' associations, developers, realtors, and others. Numerous changes were made to assure protection of existing tenants and prospective buyers when apartments are converted to condominium ownership. It was decided that the City should restrict conversion through the application of high standards rather than a quota system<sup>69</sup>. This approach has been successful and is recommended to be continued. One condominium conversion project of 140 units (Lincoln Corners) was approved during 1985-89, however the developer did not implement the approval. Newly constructed condominiums have complied with Concord's high standards of design, interior and exterior amenities and construction. From January 1, 1985 through December 31, 1989, 961 condominium and attached single-family structures were built. Of this total, approximately 218 units were condominium ownership projects and approximately 743 units are townhomes with homeowners' associations. Concord more than doubled the 1985 objective to create, "400 condominium or cooperative units."

**POLICY 5: MODERATE INCOME HOUSING** - The City will continue to approve the types of housing desired by families whose incomes fall roughly between 150% and 190% of the median.

#### 1985-89 Objectives

- Maintain 1981 ratio between median-cost housing and median household income (i.e., 3.2 to 1).
- Develop about 180 single-family detached units for moderate income households.

**Assessment:** The 1981 ratio between median cost housing and median household income appears to have been incorrectly reported in the 1985 Housing Element. Table 1 of the 1985 Housing Element lists a 1979 median income of \$22,130. Table 2 of the 1985 Housing Element states a median housing value of \$90,900. \$90,900/\$22,130 equals 4.1 to 1. The median household income in Concord for 1989 is \$39,364. The median house price is \$160,000<sup>70</sup>. \$160,000/\$39,364 equals 4.06 to 1. Affordability, broadly stated, has remained constant in Concord since 1980. The comparison of these ratios is a general indicator which obscures special needs within the community. Housing is not more affordable relative to income for all households and not all households are finding their housing needs met by the market place (i.e., seniors, disabled, first-

<sup>69</sup>Housing Element adopted December 17, 1984, City of Concord, page 13.

<sup>70</sup>REM Associates of Walnut Creek as reported in the January 28, 1990 edition of the Contra Costa Times.

time home buyers, upper income households, female-headed households, large families, and the homeless).

The objective to develop "about 180 single-family detached units for moderate income households", was exceeded. Based on the definition in Policy 5 that moderate income housing is housing desired by families whose incomes fall roughly between 150% and 190% of the median, an estimated 75% of the 1,074 single-family detached units produced from 1985 through 1989, or 806 units, amply met this need. Housing production therefore exceeded the objective by 4.5 times.

**POLICY 6: HOUSING FOR UPPER INCOME HOUSEHOLDS** - The City will encourage the development of higher cost housing where feasible and appropriate in such areas that are not economically and/or environmentally appropriate for lower cost units.

#### 1985-89 Objectives

- Develop about 1,390 single-family detached units for above-moderate income households.

**Assessment:** This policy is difficult to assess due to uncertainty in the terms being used. Policy 5 defined moderate income as 150% to 190% of median income. Above Moderate income is therefore above 190% of median or \$75,000+ for Concord in 1989. If this is what is referred to by upper income households, Concord fell short of the objective to develop 1,390 units by over 1,100 units, based on the estimate that 25% of single-family homes produced are desirable by upper income households. This estimate is conservative. A review of 1989 building permit valuations found only one permit over \$250,000 in value for the cost of the building only.<sup>71</sup> Only 19 permits (16% of all single-family detached homes built) exceeded \$200,000 in valuation.

In summary, 3,133 housing units were produced 1985-89. Included were:

218	Condominium units
1,074	Single-family detached units
743	Townhomes
<u>1,098</u>	Apartments
3,133	Total units 1985-89

#### GOAL 2

##### Conserve and Upgrade the Existing Housing Stock

**POLICY 1: EXPAND CAPACITY FOR REHABILITATION** - The City will seek to expand its existing capacity to assist in meeting housing rehabilitation needs and problems through further development of policies, staff capabilities and knowledge.

#### 1985-89 Objectives

- Provide assistance in the rehabilitation of 180 dwelling units.

**Assessment:** The City of Concord also administers a housing conservation program which issues low interest loans for housing rehabilitation utilizing federal Community Development Block Grant

<sup>71</sup>Excludes land values.

funds. Private sources augment these funds through the Community Reinvestment Act provisions. The loan amounts under the City's program have averaged \$192,000 per year for each fiscal year since 1984-85. In addition, approximately \$200,000 annually is received from past years loans and returned to the program. Payments on outstanding loans is an increasing funding source. The program has been in existence since 1976. In total, 453 housing units have been assisted since 1985 including 202 units affordable to Very Low income households, 191 Low Income households and 60 Moderate Income households.

**POLICY 2: EXPAND CAPACITY OF RESIDENTS** - The City will actively seek to improve the capacity and capability of its residents to conserve the housing stock.

#### 1985-89 Objectives

- Expand capacity to the extent opportunities are available.

**Assessment:** In 1989, the City of Concord funded and has hired a Neighborhood Preservation Officer to improve the integrity and quality of Concord's neighborhoods.

**POLICY 3: CONSERVE THE EXISTING QUANTITY AND QUALITY OF THE HOUSING STOCK** - Through strict application of existing codes and standards and the development of new plans and programs, the City will seek to assure that the existing housing stock is not diminished in quantitative or qualitative terms.

#### 1985-89 Objectives

- No more than 1% of the dwellings existing in 1983 should be lost to demolition, deterioration, or conversion to non-residential uses.
- The City will endeavor for the 1984-89 period to maintain a ratio of occupied housing to the total housing stock similar to that which existed in 1983.

**Assessment:** There have been 70 housing units demolished since 1985. There were 40,152 housing units in the City in 1983. One percent of 40,152 is 402. The objective to demolish no more than 1% of dwelling existing in 1983 has been met. One factor in this ability to conserve existing housing units is the home moving provisions in the City zoning code. With proper permits and inspections, existing homes may be moved to existing lots or to a different site on a parcel to accommodate the subdivision of property. Through this procedure, the existing housing stock is conserved and new housing capacity is created.

The vacancy rate has remained essentially unchanged since 1983 (although 1983 was a record high year for the term 1983-89). In 1983 the rate was 2.6% for all units. In 1989 the rate was 2.7%. The 1985-89 objective to maintain the 1983 ratio was optimistic since 1983 was a high vacancy rate year relative to interceding years. Housing experts maintain that a 2% vacancy rate for single-family housing and 5% for apartments is necessary to maintain choice in the market place and to moderate prices and rents. Given Concord's mix of rental and owned housing, an overall vacancy rate of 3.26% would be required to meet this ideal.

#### **GOAL 3**

**Encourage the Expansion of Housing Opportunities for Special Needs Groups, Such as Elderly, Handicapped, and Low-Income Persons**

**POLICY 1: ELDERLY HOUSING** - The City will actively seek and encourage the development of low-cost housing for the elderly.

**1985-89 Objectives**

- Produce an additional 200 low-cost units for the elderly.

**Assessment:** Since 1985, 246 units for seniors have been developed in Concord with the assistance of the Redevelopment Agency.

**POLICY 2: HOUSING FOR HANDICAPPED PEOPLE** - The City should actively seek to expand housing opportunities for the disabled in new single-family developments and existing single- and multi-family developments.

**1985-89 Objectives**

- Include units accessible to the handicapped in the production of units for the elderly.
- Require the inclusion of handicapped-accessible units in larger housing developments.
- Disseminate information on housing resources to the handicapped.

**Assessment:** The City of Concord has adopted Title 24 of the California Administrative Code requiring handicapped access in all apartments and commercial buildings. These requirements mandate equal facilities for the disabled.

The Building Division actively enforces the addition of handicapped facilities to buildings when additions, rehabilitation or change of tenancy occurs. The City's Discrimination Hotline (671-3116) and Fair-Housing Program resolve discrimination complaints and disseminate information to reduce discriminatory treatment of the handicapped and other protected segments of the population. Handicapped access is required in all senior and apartment projects.

**POLICY 3: OTHER SPECIAL NEED GROUPS** - The City should encourage the development of residential facilities/homes for youth and other special need groups.

**1985-89 Objectives**

- Review City policies and code requirements to identify obstacles to special need housing.

**Assessment:** Numerous smaller family day care centers have also been approved. Special needs projects which have been approved since 1985 include; an adult development and training program for 24 adults sponsored by the Contra Costa Center for Retarded Citizens, a facility for homeless and mentally disabled individuals developed by Phoenix Programs, 42 beds in two facilities by Neurocare, Inc. for group care, a 10 bed convalescent hospital, a 15 unit temporary shelter for battered women sponsored by the Battered Women's Alternative, a Montessori school for 40 children, and an 87 unit senior citizen housing project currently under review. In 1985, the City adopted the Concord Child Care Program which assesses a fee of 1/2 of 1% of the value of all non-residential construction. The money raised goes into a child care fund. Currently, over \$240,000 is raised and expended annually. The Child Care Program, in addition to supporting needs of the general population, assists the special housing needs of large families and female headed households. State law and the City zoning code allows group care facilities for up to six persons in all residential zones without a permit. The City's record is excellent in encouraging and providing approvals for special needs housing.

## GOAL 4

**Strive for Equal Housing Opportunity and Access for Concord Citizens Regardless of Race, Color, Religion, National Origin, Sex, or Marital/Family Status**

**POLICY 1: COMMITMENT** - The City reaffirms its commitment to work towards the elimination of discrimination in housing with regard to race, color, religion, national origin, sex, marital/family status or income.

### **1985-89 Objectives**

- Maintain current funding level for anti-discrimination services; expand if feasible.

**POLICY 2: TENANT-LANDLORD RELATIONSHIPS** - The City should seek to maintain and expand housing opportunities through the resolution of problems and conflicts that occur in tenant/landlord relationships.

### **1985-89 Objective.**

- Maintain current funding; expand if feasible.

**Assessment of Goal 4 Objectives:** These objectives have been accomplished. The City funds a staff person to conduct housing counseling. The funding level in 1986-87 was \$17,000; 1987-88, \$15,800; and 1988-89 \$18,100. The counselor responds to tenant complaints and housing discrimination issues. Additional services include referrals to conventional lenders, financial counseling and maintenance of a Fair Housing Hotline (415) 671-3116. Also see comments under Goal 3, Policy 3 above, and Goal 2, Policy 1.

## GOAL 5

**Ensure the Preservation of Older and Historical Areas, Homes and Buildings**

**POLICY 1: REGULATION AND RESEARCH** - The City should actively seek to preserve its historic homes through revisions to existing regulation and research on historic resources.

### **1985-89 Objectives**

- Complete and publish historic inventory.
- Double the present number of designated landmarks.

**Assessment:** In 1984 there were 14 historical landmarks in the City. Since 1984, an additional nine landmarks have been designated. The City assisted in a detailed photo-documented historic inventory published by the Concord Historical Society in September 1986. Once a structure is designated an historic landmark, the Municipal Code requires that a Certificate of Appropriateness be obtained prior to any alterations, demolition or construction on the property. Work is allowed that does not adversely affect the historic or aesthetic features of the property. If the application for the Certificate is denied, the work could be delayed for up to one year for the City to pursue a means of preserving the landmark. Since 1984, the City has adopted the North Todos Santos

(NTS) District and Community Design Guidelines. The NTS District seeks to preserve the architectural integrity of the older residential district adjacent to the downtown and the Guidelines contain numerous policies for preserving Concord's historical heritage.

**POLICY 2: RESOURCES** - The City should actively seek public and private resources to be applied to an historic preservation program.

#### 1985-89 Objectives

- Maintain present funding levels, and increase to the extent feasible.

**Assessment:** In addition to activities noted above, the City's Leisure Services Division maintains Gallery Concord which often displays art, photos, and objects related to Concord's colorful history. Leisure Services staff also respond to inquiries from the public regarding resources which are available to those who are interested in Concord's past.

**TABLE 5**  
**Housing Production Objectives**  
**1985 - 1989**

	INCOME GROUP				Total
	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>	
Low Cost Single Family	--	15	25	--	40
Low Cost Duplex	15	35	75	--	125
Low Cost Multiple Family - Rental	75	100	175	--	350
Condominiums	25	155	220	--	400
Moderate and Upper Income	--	--	180	1,390	1,570
Elderly/Handicapped	<u>180</u>	<u>50</u>	<u>--</u>	<u>--</u>	<u>230</u>
<b>TOTAL</b>	<b>295</b>	<b>355</b>	<b>675</b>	<b>1,390</b>	<b>2,715</b>

**Assessment:** This table appears to be misplaced in the Element. A more relevant location would be following the policies under Goal 1 which address the housing needs of these income groups. The objectives contained in Table 5 are stated in the policies of Goal 1 and have been previously assessed in detail. ABAG<sup>72</sup> projected a 1985-90 housing need of 2,711 units for Concord. Actual production was 3,133 units or 15% above the housing production objective set in the 1985-90 Housing Element and the projection prepared by ABAG in 1985.

<sup>72</sup>Association of Bay Area Governments

## **OTHER GOALS**

The following additional goals are intended to assure consistency of this Housing Element with other elements of the Concord General Plan and with other housing efforts. These goals are process-oriented, that is they should be addressed during review of proposed developments, processing of applications, consideration of zoning and rezonings and the review of other General Plan Elements. Being process oriented the goals are not discussed separately below, but will be used as goals for ongoing City actions.

6. Promote the development and continuance of a variety of housing types and design.
7. Encourage and preserve the compatibility of land uses and orderly transition of densities as they relate to the preservation of neighborhoods and homes.
8. Coordinate the development of supportive transportation, open space and recreational amenities for all of Concord's housing.
9. Continue to maintain communication, cooperative intergovernmental linkages and activities with other cities, Contra Costa County, the Associated Bay Area Governments, the State of California and the Federal Government in the development of housing-related plans and the implementation of housing programs.

**Assessment:** No policies were developed for Goals 6 - 9 in the 1985 Housing Element. These goals have been incorporated in the processing of City permits. Lacking specific policies and programs, performance under these goals is not measurable in any meaningful manner. The State Housing and Community Development Department (HCD) requires quantified objectives (as provided in State law) for Housing Elements adopted in 1990. Chapter V of this draft incorporates the HCD recommended format.

## **SUMMARY**

Overall, the goals and policies contained in the previous Housing Element were appropriate to meet the housing needs of the City. The 1985 Housing Element contained 5 goals, 16 policies, and 29 objectives. The 1990-1995 Housing Element contains 5 goals, 24 policies, and 50 objectives. Except for one objective (modifying parking requirements to encourage below market rate multi-family residences, which was accomplished) all goals, policies, and objectives established in 1985 have been carried forward to the 1990-1995 Housing Element. Numerous changes and additions have been incorporated into the 1990-1995 Element to reflect what was learned from the review of the previous Element and to respond to the updated needs analysis. These changes, detailed in Chapter V, include:

- A new policy and related objectives to achieve increased duplex and secondary unit production (Goal 1, Policy 4, Objectives 1 and 2, page 80).
- New policies and objectives to provide for special needs groups including large families, female headed households, the homeless, upper income households and first-time homebuyers (Goal 3, Policy 2, Objective 4 page 86, Policy 3 page 86, Policy 5 page 87, Policy 6 page 87, and Goal 1, Policy 8, Objective 1 page 82).
- A new policy and objective to address federally subsidized housing at-risk of conversion to market rate housing (Goal 2, Policy 2, Objective 1 page 84).
- A new objective to encourage historic preservation (Goal 5, Policy 1, Objective 1 page 89).

- New policies to expand the housing site inventory (Goal 1, Policy 1, Objective 1, page 78 and Goal 1, Policy 7, Objective 1, page 82).
- A new policy to encourage neighborhood preservation and environmental quality (Goal 1, Policy 7, Objective 2, page 82).
- A quantified objective for senior housing in order to meet identified need (Goal 3, Policy 1, Objective 1, page 85).
- Requirement that staff analysis of all development permits requires consideration of the impact on the availability and affordability of housing citywide (Goal 1, Policy 3, page 79).
- New policy and objective requiring priority processing of multi-family developments that include below market rate housing (Goal 1, Policy 5, Objective 4, page 81).
- A quantified objective for disabled accessible housing (Goal 3, Policy 2, Objective 4, page 85).
- Significant expansion of the quantified objectives for rehabilitation and conservation goals (Goal 2, Policy 1, Objective 1, page 84).

These adjustments to the housing program of the City of Concord will compensate for the changing needs of the program and will significantly improve the City's ability to meet housing production and improvement goals for all income groups residing in the City.

**V. HOUSING GOALS, POLICIES, AND QUANTIFIED OBJECTIVES****SCHEDULE OF RECOMMENDED PROGRAMS (1990-1995)**

Programs which are recommended as effective in providing an adequate supply of affordable housing in Concord for the upcoming five year period 1990-1995 include:

**Flexible Zoning**

Approximately 20% of Concord's residential land is zoned PD (Planned District). This zoning allows flexible building setbacks, lot sizes, mixed uses and other variations in development controls, in accordance with the General Plan, to encourage innovative subdivision design and maximum use of the land.

All residential zones may take advantage of the Planned Unit Development (PUD) process. In applying the PUD concept, lots less than the minimum for size in a subdivision may be allowed if the overall density conforms to the zoning classification. For example, 6,000 sq. ft. lots may be permissible in an area with an 8,000 sq. ft. minimum lot size if the total density of the subdivision does not exceed one lot per 8,000 sq. ft. of net land area. This technique encourages more efficient use of land and is used to protect environmentally sensitive portions of a property from development without penalizing overall density.

Mixed residential uses with retail and office development is permissible throughout the downtown and redevelopment areas.

**High Density Zoning**

Except certain County lands adjacent to a BART station, Concord is the only community in central or eastern Contra Costa County with zoning permitting up to 100 residential units per acre. This zoning occurs in Concord's downtown and redevelopment areas. Concord's zoning also permits FAR.2 (Floor to lot area ratio of 20%) zoning in some single family residential districts, if determined to be desirable by the approving body. FAR.2 zoning is being used increasingly for innovative higher-density residential developments including townhomes, zero-lot lines, duets, and patio homes.

**Second Living Units**

A one bedroom attached apartment or detached cottage is allowed by permit in all single family detached residential zones.

**Mobile Homes**

Mobile home units are allowed in all residential zones if placed on a permanent foundation, connected to public utilities and provided with one covered parking space (required in all residential districts).

State law requires that prior to the conversion of a mobile home park to other uses, or prior to the closure of a park or the cessation of use of the land as a mobile home park, or at the time of filing of a subdivision map for a subdivision resulting from any such conversion, the proponent of the proposed change of use must file a report of the impact of such change with the public agency having jurisdiction over the mobile home park (Government Code Sections 65863.7 and 66427.4).

The City of Concord passed an ordinance in 1988 (Ordinance 88-13) which provides for uniform procedures for considering requests for a conversion, closure or cessation of use of a mobile home park.

The procedures include: an application process; public hearing requirements; and the approval of a relocation plan which specifies the benefits to be offered to existing mobile home owners in the park.

### Duplexes on Corner Lots

A duplex may be constructed with a special permit on a corner lot in any residential district if the lot has been vacant for two years, and on some corners in new subdivisions, if criteria are met.

### Development Fees

Development fees average approximately \$10,000 per single family home in Concord. This cost, while significant in the total price of a home (3% to 5% of the cost of a new home in Concord) is lower than the Bay Area average of \$33,000 reported for 1988. Development fees are adjusted periodically to represent actual costs of processing. Deferred improvement agreements are available in certain circumstances to postpone some costs and fees that are not associated with the cost of permit processing are collected at the time of the Certificate of Occupancy of the new home. Deferment of costs is a cost savings to the developer.

### Development Processing/Timeline

Concord's permit processing is streamlined. Minor subdivisions are normally processed in 3 to 5 weeks. A Use Permit and design review for a multi-family development can be processed in 2 to 4 months. If the development is permitted by-right in a zoning district, only design review is required. There is no design review for single family homes except for subdivisions on hillside areas. The City of Concord offers pre-application conferences for development proposals prior to processing. This step can mitigate or eliminate potential issues as well as educate the applicant to the requirements of the City. The City of Concord maintains detailed checklists and handouts to assist the applicant in the development process. Developer risk and financial exposure is minimized in Concord through timely permit processes and early dissemination of development requirements.

### Fair Housing Program

The City of Concord Urban Resources Department administers a Fair Housing Program that mitigates discrimination in housing according to State, Federal and local laws. The City of Concord Housing Counselor provides landlord/tenant counseling, fair housing service and technical assistance to property owners, managers and tenants. This service includes information regarding lease or rental agreements, eviction rights and procedures as regulated by California State law and the implied warranty of the habitability and quiet enjoyment of the rental unit. Mediation services are offered when necessary to both landlords and tenants. Discrimination education is offered to help landlords comply with California State law and U.S. Federal law. Discrimination information is provided to tenants and complaints are received which are either mediated or referred to State or Federal offices (DFEH or HUD) for investigation and compliance. The Housing Counselor is a member of Contra Costa Homeless Advisory Committee and serves as the City's representative of the Community Housing Resource Board of Contra Costa County, which includes realtors and local community policy makers who work to eradicate discrimination in housing.

Concord residents and/or owners assisted through the Fair Housing Program during 1985-1989 include:

1985 - 1,302
1986 - 1,406
1987 - 1,618
1988 - 1,776
1989 - 2,631

The increase in client load experienced since 1985 can be attributed to the Program becoming more well-known in the community.

#### Density Bonus

Increases in the otherwise allowable density for new residential construction provided for under State law are available in the City of Concord if the developer agrees to make a specified percentage of the units available at below-market rates. The provisions of the State law are expanded under City policy to allow for more flexible and effective implementation of the density bonus program. The City's Urban Resources Division administers this program. The guidelines for density bonuses are as follows:

a. For-Sale Housing

- 1) Allow increases in density or land use intensity for single family or condominium developments up to 25% over the otherwise allowable number of units or total floor area.
- 2) In exchange for this density bonus, the developer shall do one of the following:
  - a) Set sales prices such that the monthly mortgage payments (principal plus interest) for 25% of the base number of units will be no greater than 25% of 120% of the median monthly family income for the appropriately-sized family for that unit.
  - b) Set sales prices such that the monthly mortgage payments (principal and interest) for 10% of the base number of units will be no greater than 25% of 80% of the median monthly family income for the appropriately-sized family for that unit.
  - c) Offer a package of discounts comparable in total value to the above, but with the exact number of affordable units and sales prices negotiated on a project-by-project basis.
- 3) The City shall take a second deed of trust for the difference between the market value and the controlled price. This second deed of trust shall carry no interest charge or payment for the first two years. Beginning in the third year, the second deed of trust will start to have interest charges and required payments. These will start at a low level and gradually increase over a three year period, at which point the second deed of trust will become a fully amortizing loan with a 10 to 15 year term. Upon repayment in full of the second deed of trust, the purchaser will own the unit free and clear. The interest rate on the second deed of trust, once it becomes a fully amortizing loan, will typically be set at about 2 points below the prevailing FHA rate.

b. Rental Housing

1. Allow increases in density or land use intensity for rental projects up to 50% over the otherwise allowable number of units or floor area.

2. To obtain up to a 25% bonus, the developer shall do one of the following:
  - a) Guarantee the monthly rental rates of 25% of the base number of units such that they do not exceed 20% of 120% of the median monthly family income for the appropriately sized family for that unit. This guarantee shall be for 15 years.
  - b) Guarantee the monthly rental rates of 10% of the base number of units such that they do not exceed 20% of 80% of the median monthly family income for the appropriately sized family for that unit. This guarantee shall be for 15 years.
  - c) Guarantee the monthly rental rates of some units at a lower rent level and for a longer or shorter period than specified above, with the exact number of units, rent levels and time periods negotiated on a project-by-project basis, such that the total package of discounts is comparable to either of the above approaches.
3. To obtain up to a 50% bonus, the developer shall fulfill the requirements of item 2 above for the first 25% bonus, and one of the following for any additional bonus:
  - a) For every three additional bonus units, guarantee the rent of one additional unit such that it does not exceed 20% of 80% of the median monthly family income for the appropriately sized family for that unit. This guarantee shall be for 15 years.
  - b) Guarantee the monthly rental rates of some units at a lower rent level and for a longer or shorter period than specified above, with the exact number of units, rent levels and time periods negotiated on a project-by-project basis, such that the total package of discounts is comparable to either of the above approaches.

In 1989, the Legislature amended portions of the State Density Bonus Law. These amendments will be adopted by ordinance, as required, by the City of Concord.

### Shared Living

The City of Concord zoning ordinance describes a family unit as:

- a. Any person, or two (2) or more persons, occupying a premises and living as a single housekeeping unit, as distinguished from a group occupying a hotel, a rooming or boarding house, or club.
- b. Not more than six (6) unrelated minors placed in a foster home or family care home licensed by the State of California or the County of Contra Costa, living together as a single housekeeping unit, together with family care personnel limited to two (2) adults.
- c. A "family", as defined herein, shall be deemed to include domestic employees and temporary non-paying guests.

This definition is in accordance with recent court cases on the definition of family. Individuals may be unrelated and live together as a housekeeping unit in single family residential districts if not more than one kitchen is in the dwelling and the home functions as a house, i.e., units have not been partitioned with separate outside entrances or other modifications have not been made to establish the character of a multi-family unit. Shared living, where individuals function as a single housekeeping unit in accordance with City codes and regulations, can be an effective means to reduce housing costs.

### **Transfer of Development Rights**

Most residential land in the City of Concord is eligible under the General Plan to apply for a Medium Density Through Density Transfer designation. This designation facilitates the transfer of development rights within or between parcels to promote the protection of environmentally sensitive areas and a more intense use of the City's land supply. A public purpose such as open space preservation or acquisition of land for parks or other public purposes is required to implement the Transfer of Development Rights concept in Concord.

### **Rehabilitation**

The City of Concord Urban Resources Division administers an active rehabilitation program that utilizes Community Development Block Grants and other funding sources. From 1985 through 1989, 453 Very Low, Low, and Moderate Income housing units have been assisted through this program.

### **Municipal Bonds**

The City of Concord supports and participates in the 1989 Home Mortgage Revenue Bond Program (GNMA Mortgage-Backed Securities Program) for first-time homebuyers.

### **Redevelopment Agency Commitment**

The Agency has assisted in the production of 200 low and moderate income units, and 478 units total, since 1985. Chapter III describe the efforts of the Redevelopment Agency over the past five years. The following goals are recommended to guide the Redevelopment Agency's assistance to housing over the next five years.

1. Increase opportunities Citywide for entry to homeownership status.
2. Promote housing development in the downtown, particularly through mixed-use projects.
3. Continue addressing needs for new and rehabilitated housing Citywide for Very Low, Low and Moderate income households.
4. Encourage high quality housing in the downtown.
5. Retain historic flavor of sensitive downtown areas while allowing infill housing at appropriate scale.

### **HOUSING GOALS, POLICIES, AND QUANTIFIED OBJECTIVES (1990-1995)**

The housing goals, policies, and quantified objectives for the City of Concord for 1990-1995 are presented below.

#### **GOAL 1**

**Promote a balanced supply of housing for all income groups residing or who wish to reside in Concord.**

**Policy 1:** Housing production, conservation, and rehabilitation objectives for the City of Concord for 1988 - 1995 as projected by the Association of Bay Area Governments (ABAG) are:

<u>Income Group</u>	<u>New Construction</u> <sup>73</sup>	<u>Conservation and Rehabilitation</u> <sup>74</sup>
Very Low Income	785 units	317 units
Low Income	628	306
Moderate Income	824	60
Above Moderate Income	1,686	
<b>TOTAL</b>	<b>3,923 units</b>	<b>683 units</b>

The quantified goals presented in Policy 1 are five-year goals. It is not known at this time what resources will be available 3, 4 or 5 years in the future. Achieving the five-year housing production and affordability goals will be very difficult. It is believed that setting high goals will encourage the availability of resources. It is appropriate that five-year goals aim high while "realism" be applied to an annual review of housing production. The annual review of production will be more closely related to the resources known to be, or reasonably expected to be, available. Each year it will be possible to examine the shortfall in achieving five-year goals and set appropriate housing production and improvement targets for the following year. Revisions to the five-year housing production and affordability goals may be needed as a result of the Comprehensive General Plan Update which was initiated in 1990 and is expected to be complete in 1992.

**Policy 2:** Continue to support the following previously described programs, where appropriate to assist in the attainment of housing production, conservation, and rehabilitation goals:

- Development Agreements with private and private non-profit development corporations (pg. 42, 46 and 74).
- Second living units (pg. 63 and 73).
- Mobile homes in single family residential areas (pg. 73).
- FAR zoning (pg. 73).
- Planned District zoning (pg. 73).
- Density bonus program (pg. 75).
- Redevelopment Agency 20% Housing Fund (pg. 44 and 77).
- Mobile home park preservation and rent issues (pg. 55 and 73).
- Planned Unit Development (pg. 73).
- Density Transfer (pg. 77).
- Section 8 assistance (pg. 58 and 64).
- First Time Homebuyers Program (pg. 34).
- Rehabilitation loans (pg. 77).
- Fair Housing Program and housing counseling (pg. 74).
- High standards for condominium conversions (pg. 55 and 65).
- High density zoning in the Downtown Area (pg. 73).
- Duplexes on corner lots (pg. 63 and 74).
- Reduced parking requirement for senior and special needs housing (pg. 64).
- Title 24 handicapped access and energy conservation requirements (pg. 40 and 68).

<sup>73</sup>Represents ABAG existing and projected need for 1988-1995 for the City of Concord.

<sup>74</sup>Includes 353 units to receive rehabilitation assistance and 330 units to be conserved.

- Historical properties designation and protection (pg. 69).
- Community Design Guidelines to promote long term housing quality (pg. 70).
- Expedient permit processing (pg. 55).
- Relatively low permit fees (pg. 55 and 74).
- TSM program and other transportation management efforts to promote jobs/housing balance (pg. 9 and 54).
- House moving provisions in the Municipal Code to assist housing stock conservation (pg. 67).
- Neighborhood Preservation Program (pg. 67).
- Residential use above the ground floor in the Downtown Area (pg. 73).
- Residential use in neighborhood commercial districts (pg. 73).
- Infill subdivision policy (pg. 40 and 73).
- Measure C jobs/housing balance and creation of housing opportunities provisions (pg. 54).

Responsibility: Planning Division and Housing and Community Services Division. City of Concord Redevelopment Agency.

Budget: General Fund and appropriate funding sources for specific programs.

Time frame: Ongoing

#### Policy 3: Lower Cost Single Family

Encourage the development of lower-cost housing in new and existing single family developments. (NOTE: "Single-family" as used here includes "detached," "townhouse," and other variants. Condominiums are considered separately. "Lower cost" as used here includes housing that is affordable to Very Low, Low, and Moderate income households).

##### 1990 - 1995 Objectives

###### 1) Develop and maintain an inventory of available sites through the following actions:

- Maintain a current listing of sites and buildings that are available for adaptive reuse and development by the private sector, public sector or private non-profit corporations for the development of housing affordable to Very Low, Low, and Moderate Income households.

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Conduct a comprehensive update of the list of sites adn buildings semiannually, in January and July of each year.

- Consider the impact on citywide housing availability and affordability, during staff analysis and public review of rezoning and other development permit actions.

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Ongoing.

#### Policy 4: Lower Cost - Duplexes

Permit the development of duplexes in new and existing single-family developments in accordance with state law and Concord Municipal Code requirements. (NOTE: "duplex" as used here refers to two dwelling units in a building on a single lot, generally signifying that at least one of the two units will be a rental unit.)

**1990 - 1995 Objectives****1) Increase production of duplexes through the following actions:**

- Allow duplex condominiums, with requirements to protect the public health, safety, and general welfare, to increase opportunities for home ownership.

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Initiate ordinance amendment in FY 1990-1991.

- Review the existing requirement that a lot at the intersection of two public streets must be vacant for two years to qualify as a duplex lot if additional criteria are met. Relief from this requirement would promote the development of housing that is affordable to very low, low, and moderate income households.

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Complete by 12/31/91.

- Report to the Planning Commission by December 31, 1992 on the feasibility of allowing duplexes in single family residential zones on lots that are significantly larger than the minimum lot size required by the zoning district.

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Complete by 12/31/92.

**2) Allow second units on lots zoned single-family in accordance with state law and Concord Municipal Code Requirements.**

- Report to the Planning Commission by December 31, 1991 on the reasons why, with 47 secondary living units approved 1985-89, only 17 units were constructed. Amend the zoning ordinance, as desired by the Commission and City Council, regarding the development of second units in the City.

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Complete by 12/31/91.

**Policy 5: Lower Cost - Multi-Family**

Encourage the development and conservation of lower cost multiple-family structures (NOTE: "Multi-family" as used here indicates rental apartments in buildings of three units or more.)

**1990 - 1995 Objectives**

- 1) Permit the production of up to 350 rental units in multi-family structures through density bonuses, in accordance with City codes, land write-downs, priority permit processing (see Objective 4), direct subsidies and other financial incentives.

Responsibility: Planning Division and Housing and Community Services Division.

Budget: Redevelopment Agency Low and Moderate Income Housing Fund, tax exempt bond financing, and other federal and State funding sources to make housing developments economically feasible.

Time Frame: The City Council, acting as the Redevelopment Agency Board, has transferred \$1,090,000 to the City of Concord Housing and Community Services Division for immediate use to provide incentives and direct funding of housing opportunities for very low, low, and moderate income households. Additional funding from State and federal sources is being pursued and will be put to use at the earliest possible date.

- 2) Encourage the provision of public and private sector housing assistance including housing referral services and landlord-tenant counseling to 120 low-income households in addition to new construction conservation and rehabilitation objectives stated in Policy 1.

Responsibility: Housing and Community Services Division.

Budget: Community Development Block Grant funds and Redevelopment Agency Very Low, Low and Moderate income housing fund.

Time Frame: Monitor annually to assure compliance with the five-year target of 120 low-income households; complete by June 30, 1995.

- 3) Develop and maintain an inventory of suitable sites, and provide information to interested parties.

Responsibility: Planning Division and the Redevelopment Agency.

Budget: General Fund and Redevelopment Agency funding.

Time Frame: conduct a comprehensive update of the list by June 30, 1991 and conduct an update of the list semiannually, in January and July of each year.

- 4) Develop an ordinance which allows priority processing of building permits for residential developments which include at least 15% of the units as below-market rental rate (BMR) units.

Responsibility: Planning Division and Housing and Community Services Division.

Budget: General Fund.

Time Frame: Complete by 6/1/92.

#### Policy 6: Condominiums

Maintain standards for development of new condominiums and cooperatives, and the conversion of existing apartments; recognize condominiums as the major source of homeownership opportunities at the lower end of the market.

#### 1990 - 1995 Objectives

- 1) Assure that condominiums and cooperatives continue to meet high standards of quality while providing for entry level rental and ownership housing by approving density bonuses in accordance with City codes and by encouraging the efficient use of sites through zero-lot lines development, reciprocal easements, common driveways and other cost-saving design solutions to providing affordable housing.

Responsibility: Planning, Housing and Community Services, and Building Divisions.

Budget: General Fund.

Time Frame: Ongoing implementation by the identified responsible Divisions to accomplish the aims of this objective.

- 2) If condominium conversions in any year exceed 5% of the rental housing stock (approximately 860 units), the City will review regulations and determine if more stringent control should be enacted. In particular, existing tenants rights shall be protected (see Goal 4, page 88, Equal Housing Opportunity and Access).

Responsibility: Housing and Community Services Division.

Budget: General Fund.

Time Frame: Monitor the rate of conversions and report to the City Council whenever condominium conversions exceed 2% of the rental stock in any year.

#### Policy 7: Above Moderate Income Housing

The City will continue to encourage the types of housing desired by households whose incomes are above 120% of the area's median household income.

##### 1990 - 1995 Objectives

- 1) Promote a diversity of housing types by providing a wide range of zoning categories and densities (POS Permanent Open Space at 1 unit/10 acres through DB Downtown Business at 100+ units per acre).

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Ongoing.

- 2) Preserve and enhance a quality living environment in each Concord neighborhood through:
  - Protection of neighborhood identity
  - Reviewing and updating Community Design Guidelines
  - Managing and reducing traffic impacts within neighborhoods
  - Reviewing and updating development standards to assure a functional, pleasing, and high quality living environment for all Concord residents.

Responsibility: Department of Community Development and Public Works.

Budget: General Fund.

Time Frame: Ongoing.

#### Policy 8: Housing for Upper Income Households

The City shall encourage the development of higher cost ownership and rental housing in areas that are economically and/or environmentally appropriate.

##### 1990 - 1995 Objectives

- 1) Develop at least 200 units priced above 2.5 times the 1989 median home value of \$160,000 (above \$400,000) and 200 units priced above 4.0 times the 1989 median home value of \$160,000 (above \$640,000) by:
  - Preserving larger lot areas in Concord

- Encouraging amenities that exceed minimum standards in subdivisions where the applicant states that the homes to be constructed are for "upper income," "up-scale" households.

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Complete by 7/1/95.

- 2) Encourage the development of luxury apartments.

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Ongoing.

#### Policy 9: Above Market Rate Housing for the Downtown

The City shall encourage the production of ownership and rental housing in the downtown which is affordable to moderate and above moderate income households.

##### 1990 - 1995 Objectives

- 1) Encourage the production of at least 350 ownership or rental units, or combination thereof through density bonuses in accordance with City codes and other incentives.

Responsibility: Planning Division and Redevelopment Agency.

Budget: General Fund and Redevelopment Agency Housing Fund.

Time Frame: Ongoing.

#### Policy 10: Quality Housing

Encourage the development of quality housing for all income groups.

##### 1990 - 1995 Objectives

- 1) Investigate options for a Design Review Program for single-family detached housing. Report to the Planning Commission and City Council by July 1, 1991.

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Complete by July 1, 1991.

- 2) Encourage the use of materials and construction methods in all residential development which reflect very high standards.

Responsibility: Planning Division and Building Division.

Budget: General Fund.

Time Frame: Report annually to the Planning Commission on the implementation of this objective.

- 3) Encourage the redevelopment and rehabilitation of existing structures that do not meet minimum standards of design, construction, and materials.

Responsibility: Planning Division and Housing and Community Services Division.

Budget: General Fund.

Time Frame: Report annually to the Planning Commission on the implementation of this objective.

## GOAL 2

**Preserve and Enhance Concord's Residential Neighborhoods and Improve the Quality of Life in the City's Neighborhoods.**

### **Policy 1: Expand Capacity for Rehabilitation and Conservation**

The City will seek to expand its existing capacity to assist in meeting housing rehabilitation and conservation needs through increased quantified objectives over 1985-1991 levels (see Goal 1, Policy 1 and Objective 1 below), targeting the needs of identified special needs groups (see Goal 3), implementing strategies to conserve federally subsidized at-risk housing units in the City of Concord, increasing Neighborhood Preservation efforts (see Policy 3) and through the further development of policies, staff capabilities and knowledge.

#### **1990 - 1995 Objectives**

- 1) Provide assistance in the rehabilitation and conservation of 683 dwelling units. The quantified objective for housing units to receive rehabilitation assistance during the time frame 1990-1995 is 353 units. The quantified objective for housing units to be conserved 1990 to 1995 is 330 housing units (see Policy 2, Objective 1 for specific program objectives). Rehabilitation assistance will be provided through low interest, deferred payment loans and construction monitoring whereby City staff writes construction specs and acts in the capacity of the general contractor for the residential rehabilitation project. Housing conservation shall be accomplished by rent subsidies and City regulatory agreements including, but not limited to, density bonus contracts.

**Responsibility:** Housing and Community Services Division.

**Budget:** General Fund and Community Development Block Grant Funds.

**Time Frame:** Complete by July 1, 1995.

### **Policy 2: Conserve the Existing Quantity and Quality of the Housing Stock**

Through strict application of existing codes and standards and the development of new codes, plans and programs, the City will seek to assure that the existing housing stock is not diminished in quantitative or qualitative terms. The earliest date that privately owned, federally subsidized mortgages on housing units in Concord will be eligible for prepayment is April, 1994. City staff will monitor applicable federal legislation (see Objective 1) and will develop plans as necessary by June 1993 to implement the federal legislation. In addition, this Housing Element will be amended by January 1, 1992 to comply with the intent and letter of State Government Code Section 65583(A)(B) and (C)(6) regarding needs analyses and programs to address the potential conversion of existing assisted housing developments to non-low-income housing uses.

#### **1990 - 1995 Objectives**

- 1) City Staff will monitor and implement provisions of the Cranston-Gonzalez Affordable Housing Act of 1990 and will advise the City Council on steps which may be taken to preserve the 330 federally subsidized housing units in Concord that are at-risk of conversion to market rates.

**Responsibility:** Planning Division and Housing and Community Services Division.

**Budget:** General Fund, Redevelopment Agency Funds and federal subsidies.

**Time Frame:** Complete by June 1, 1993.

- 2) Not more than 1% of the dwellings existing in 1989 should be lost to demolition, deterioration, or conversion to non-residential uses over the time frame of this Housing Element (July 1, 1990 to July 1, 1995).

Responsibility: Department of Community Development and Public Works Planning Division, Building Division and Housing and Community Services Division.

Budget: General Fund and Community Development Block Grant Funds.

Time Frame: Ongoing.

### Policy 3: Neighborhood Preservation Program

#### 1990 - 1995 Objectives

- 1) Consider neighborhood preservation and improvement needs in the capital improvement budgeting process.

Responsibility: City Manager, Planning Commission and City Council.

Budget: Capital Improvement Program.

Time Frame: Prioritize projects prior to March 1 of each year for consideration in the budget review of the Capital Improvement Program priorities.

- 2) Support the efforts of the neighborhood preservation program.

Responsibility: City Manager, Planning Commission and City Council.

Budget: General Fund and Capital Improvement Program.

Time Frame: Ongoing support and annual review.

## GOAL 3

**Encourage The Expansion Of Housing Opportunities For Special Need Groups, Such As Seniors, Female Headed Households, Disabled, First-Time Homebuyers, Large Families And The Homeless.**

### Policy 1: Senior Housing

The City will actively seek and encourage the development of low-cost housing for seniors.

#### 1990 - 1995 Objectives

- 1) Encourage the production of an additional 290 low-cost units for seniors. (This rate is equal to the 1985-90 production of senior housing of 249 units multiplied by the expected expansion rate of 1.16 for the senior age population for the five years 1990-1995).

Responsibility: Housing and Community Services Division.

Budget: General Fund, Redevelopment Agency, Community Development Block Grant funds.

Time Frame: Complete by July 1, 1995.

### Policy 2: Housing for Disabled People

The City should actively seek to expand housing opportunities for the disabled in new and existing single- and multiple-family developments. By 1995, an estimated 100 additional disabled accessible units will be needed (see Chapter II, page 33, Disabled Persons).

#### 1990 - 1995 Objectives

- 1) Include units accessible to the disabled in the production of units for seniors.

Responsibility: Building Division, Planning Division and Housing and Community Services Division.

Budget: General Fund, Community Development Block Grant funds.

Time Frame: Ongoing.

- 2) Require the inclusion of disabled accessible units in larger housing developments (see Objective 4 below for the quantified objective for the time period 1990-1995).

Responsibility: Public Works Building Division, Planning Division and Housing and Community Services Division.

Budget: General Fund and Appropriate Grant funds.

Time Frame: Ongoing.

- 3) Disseminate information on housing resources to the disabled.

Responsibility: Building Division, Planning Division and Housing and Community Services Division.

Budget: General Fund.

Time Frame: Ongoing.

- 4) Assist in the development of, or conversion to disabled accessible status of 100 housing units by 1995.

Responsibility: Building Division, Planning Division and Housing and Community Services Division.

Budget: General Fund and Appropriate Grant funds.

Time Frame: Ongoing.

### Policy 3: Housing for Female Headed Households

The City will actively seek and encourage the development of low-cost housing for female-headed households. In 1989, over 3,000 Concord households were female-headed households with children. Female-headed households typically have a lower median income than male-headed households and have special needs such as child care, fair-housing assistance, and affordable housing needs.

#### 1990 - 1995 Objectives

- 1) Continue to support the City of Concord Child Care Program.

Responsibility: Department of Community Development and Public Works.

Budget: General Fund.

Time Frame: Ongoing.

- 2) Continue to support Section 8 rental assistance for Concord's female headed households. Section 8 assistance is an important source of support for female-headed households. In 1988, 594 of 798 Section 8 vouchers (74%) held by Concord residents were female-headed households. The Housing and Community Services Division will monitor this Section 8 program and report pending changes and developments in the program to the City Council.

Responsibility: Housing and Community Services Division.

Budget: General Fund.

Time Frame: Ongoing.

**Policy 4: Housing for First Time Homebuyers**

The City will actively seek and encourage the development of low-cost housing for first-time homebuyers.

**1990 - 1995 Objectives**

- 1) Continue to support and participate in Mortgage Revenue Bond programs, if economically feasible, to satisfy demand generated by first-time homebuyers.

Responsibility: Housing and Community Services Division.

Budget: General Fund.

Time Frame: Renew current program when funds are needed and/or when the authorization expires.

- 2) Investigate creating an additional subsidy or guarantee as a separate program or in combination with a first-time homebuyer Mortgage Revenue Bond Program (or other programs such as density bonus) to provide first-time homeownership opportunities for those who work in, but do not currently live in, Concord.

Responsibility: Housing and Community Services Division and Planning Division and City of Concord Redevelopment Agency.

Budget: General Fund.

Time Frame: Report to the City Council on possible programs by 12/31/91.

- 3) Investigate sweat-equity programs for the provision of housing for first-time homebuyers.

Responsibility: Planning Division and Housing and Community Services Division.

Budget: General Fund and State Grants.

Time Frame: Report to the City Council on the feasibility of a sweat-equity program by 7/1/92.

**Policy 5: Housing for Lower Income Large Families**

The City will actively seek and encourage the development of low-cost housing for large families that are Very Low, Low or Moderate Income households. The City will continue to take actions to prevent discrimination against children in housing (see Goal 4, Policy 1).

**1990 - 1995 Objectives**

- 1) A priority for rehabilitation assistance through the City of Concord Rehabilitation Loan Program shall be housing units with four or more bedrooms. The City shall seek to expand the current inventory of approximately 450 four-plus bedroom rental units in the city.

Responsibility: Housing and Community Services Division.

Budget: Community Development Block Grant Funds.

Time Frame: Monitor annually.

**Policy 6: Housing for the Homeless**

The City will actively seek and encourage emergency, transitional, and long-term affordable housing to reduce the problem of homelessness in the City of Concord.

**1990 - 1995 Objectives**

- 1) Assist the County of Contra Costa and shelter providers with their data needs.

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Initiate in FY 1990-1991 and maintain an ongoing program.

- 2) Continue to offer expedient permit processing for homeless shelters consistent with permit processing offered to other uses of land. Consistent with State law, no permits are required for State licensed residential care facilities serving six, or fewer clients, located in residential areas.

Responsibility: Planning Division

Budget: General Fund.

Time Frame: Ongoing.

- 3) Provide financial support, where feasible and appropriate, to private non-profit agencies or groups that provide emergency and/or transitional housing for the homeless. State or County housing oversight and accountability is a prerequisite to City, or City pass-through, funding.

Responsibility: Planning Division and Housing and Community Services Division.

Budget: General Fund and appropriate pass-through funds.

Time Frame: Ongoing.

**Policy 7: Other Special Need Groups**

The City will continue to encourage the development of residential facilities/homes for youth and other special need groups.

**1990 - 1995 Objectives**

- 1) Review City policies and code requirements to identify obstacles to special need housing.

Responsibility: Planning Division.

Budget: General Fund.

Time Frame: Initiate in FY 1990-1991 and complete in FY 1991-1992.

**GOAL 4**

**Strive for Equal Housing Opportunity and Access for All People Regardless of Race, Color, Age, Religion, National Origin, Sex, Physical Handicap or Marital/Familial Status.**

**Policy 1: Commitment**

The City reaffirms its commitment to work towards the elimination of discrimination in housing with regard to age, race, color, religion, national origin, sex, marital/family status or income.

**1990 - 1995 Objectives**

- 1) Maintain current funding level for anti-discrimination services including the City's Housing Counseling and Discrimination Hotline; expand if feasible.

Responsibility: Housing and Community Services Division and City of Concord Human Relations Commission.

Budget: General Fund.

Time Frame: Ongoing.

#### Policy 2: Tenant-Landlord Relationships

The City should seek to maintain and expand housing opportunities through the resolution of problems and conflicts that occur in tenant/landlord relationships.

1990 - 1995 Objective

- 1) Maintain current funding; expand if feasible.

Responsibility: Housing and Community Services Division.

Budget: General Fund and Community Development Block Grant funds.

Time Frame: Ongoing.

### GOAL 5

#### Ensure The Preservation Of Older And Historical Areas, Homes And Buildings.

##### Policy 1: Regulation and Research

The City should actively seek to preserve its historic homes, areas and buildings through revisions to existing regulations and research on historic resources.

1990 - 1995 Objectives

- 1) Complete and publish historic inventory and study.

Responsibility: City of Concord Leisure Services Department and Planning Division.

Budget: General Plan Update funds.

Time Frame: Initiate in Fy 1990-1991.

- 2) Based on the historic inventory and study; implement recommendations to increase the number of designated landmarks and preserve existing landmarks.

Responsibility: City of Concord Leisure Services Department and Planning Division.

Budget: General Plan Update funds.

Time Frame: Initiate in FY 1990-1991.

##### Policy 2: Resources

The City will pursue public and private resources to be applied to an historic preservation program.

1990 - 1995 Objective

- Maintain existing level of effort, and increase to the extent feasible.

Responsibility: City of Concord Leisure Services Department and Planning Division.

Budget: General Fund.

Time Frame: Initiate in FY 1990-1991; complete in FY 1994-1995.



**APPENDIX 1: ENVIRONMENTAL ASSESSMENT****A. INTRODUCTION**

This Environmental Impact Analysis has been prepared under the provisions of the California Environmental Quality Act of 1970, as amended, and Guidelines developed by the State and the Concord City Council to implement the Act. This Analysis has been prepared in conjunction with the preparation of the Element and is, by this reference, part of the Element.

**B. DESCRIPTION OF PROJECT****1. Location of Project**

The Housing Element covers all lands within the City limits and the Concord Sphere of Influence as designated by LAFCO.

**2. Objectives of the Proposed Project**

The Housing Element is a revision and update of a portion of the General Plan. It establishes goals, policies, quantified objectives, and a five-year schedule of programs to maintain, preserve, improve, and develop housing.

**3. Characteristics of the Project**

The Housing Element is an element of the City of Concord General Plan which includes: 1) an analysis of population and employment trends, income and affordability factors relative to housing, housing characteristics, projected housing need, and special housing needs; 2) an assessment of resources and constraints affecting housing production; 3) an assessment of previous Housing Element goals, policies, and objectives for the period 1985-1990; and 4) the housing goals, policies, quantified objectives, and five-year schedule of programs for the City of Concord for 1990-1995. The Housing Element guides the actions of the City of Concord in providing housing for all economic segments of the community for the five-year term 1990-1995.

**C. ENVIRONMENTAL SETTING**

Concord is located within Clayton Valley and Ygnacio Valley, which, in turn, is part of the Diablo - San Ramon Valley. The area that comprises the City formerly was part of a major agriculture zone and had economic connections to the seaport of Pacheco and the Clayton coal mining region.

The City is sited on relatively flat land and has a mean elevation of 72 feet sea level. Marsh lands comprise much of the area from Suisun Bay to Route 4. Dominate topographical features include Lime Ridge - an appendage of the Mt. Diablo Range, and Los Cerros Costenos - commonly called the Navy Hills.

Numerous named and unnamed creeks meander through the City and its zone of influence. The major ones are the Mt. Diablo, Galindo, Pine, and Walnut Creek. Most of these waterways no longer follow their original course and/or have been "improved," destroying their natural character. The natural mainly grassland and scattered oak trees have been generally disturbed by urbanization. The animal population is quite limited.

The Concord segment and part of the Ygnacio segment of the active Concord fault are located within the City. Also, fault traces have been found in the Kirker Pass Road area.

Important man-made features of environmental concern include highway Routes 4, 242, and 680, Buchanan Field - the County Airport - and the Naval Weapons Station.

Major open spaces within the Concord Sphere of Influence include North Suisun Bay, the lower foothills of Mt. Diablo (Newhall lands), the Naval Weapons storage area, and Lime Ridge.

Concord, Contra Costa County's largest city, founded in 1868 and incorporated in 1906, is located approximately 30 miles northeast of San Francisco. The population of Concord is approximately 110,000 people. The dominate land use is residential; the second largest land use in the area is military due to the Naval Weapons Station. The area of Concord is approximately 30 square miles and the Sphere Influence includes 45 square miles.

#### D. ENVIRONMENTAL IMPACT OF THE PROPOSED ACTION

This section discusses the positive and negative environmental impacts of the Housing Element.

##### 1. Positive Impacts

- a. Housing in the community will be conserved and maintained in a better overall condition through implementation of the Housing Element.
- b. Housing is expected to be more accessible and affordable to existing and future Concord residents through the implementation of the Housing Element.
- c. Private sector and public sector developers and decision-makers will be more informed regarding housing issues in the community. This improved information and understanding will result in decisions that will enhance rather than detract from, the general health safety and welfare of the population.
- d. Attention to the jobs/housing balance in the Housing Element will assist in slowing or reversing the decreasing percentage of persons who both work and reside within the City of Concord. Improvement in the jobs/housing balance will bring environmental benefits, including reduced traffic congestion, improved air quality, and fewer environmental impacts due to a reduced need for major transportation improvements.
- e. Population groups whose needs are not usually met by the market, including, but not limited to Very Low Income households, Low Income households, Moderate Income households, seniors, the disabled, first-time homebuyers, female-headed households, upper income households, large families, and the homeless will receive improved housing opportunities through the implementation of the Housing Element.
- f. Environmentally sensitive lands, including large lots on hillsides and other areas and historic resources of the community will be enhanced through the implementation of the Housing Element.
- g. The City of Concord's commitment to Fair Housing policies will be reaffirmed and strengthened by the Housing Element.
- h. Changes in State Density Bonus law and other recent changes to State law can be properly adopted in local ordinances through the Housing Element.
- i. The City of Concord's system of land use controls will be made whole and defensible through the adoption of a Housing Element that is updated in accordance with State law.

The Housing Element is internally consistent and is consistent with other General Plan Elements.

**2. Adverse Impacts**

- a. The continued development of housing in the community will contribute to a loss of natural habitat and physical resources. Impacts associated with growth such as traffic, noise, and air pollution will occur proportionate to the rate, type, and location of growth. The Housing Element is not expected to significantly alter the rate, type, or location of growth in the City. The Element anticipates a rate of growth for 1990-1995 slightly less than the rate of growth for 1985-1990. In general, the remaining residential capacity of the City is concentrated in the Downtown area. Residential development Downtown will not directly impact Concord's outlying neighborhoods. These impacts, both Downtown and in outlying neighborhoods, can be mitigated through City permit requirements.

**E. SIGNIFICANT ADVERSE ENVIRONMENTAL EFFECTS WHICH CANNOT BE AVOIDED IF THE PROPOSAL IS IMPLEMENTED**

There are no significant adverse environmental effects which cannot be avoided if the proposal is implemented. None of the above-mentioned adverse impacts are considered significant, as defined by the California Environmental Quality Act.

**F. MITIGATION MEASURES PROPOSED TO MINIMIZE THE SIGNIFICANT IMPACT**

As stated above, there are no significant impacts. Therefore, mitigation measures are not necessary.

**G. ALTERNATIVES TO THE PROPOSED ACTION**

The alternative of "no project" or not updating the Housing Element would mean the policies adopted in 1984 would remain in effect. Those policies are inadequate regarding changes to State law that have occurred since 1984. The recommendations contained in this document could have involved greater or fewer resources. Alternatives were analyzed, and it was determined they were not appropriate.

**H. RELATIONSHIP BETWEEN LOCAL SHORT-TERM USES OF THE ENVIRONMENT AND THE MAINTENANCE AND ENHANCEMENT OF LONG-TERM PRODUCTIVITY**

The Housing Element is both long-term and short-term in nature. Proposed improvements, in their short-term implementation, are meant to maintain and enhance long-term productivity. Housing and its supporting infrastructure, complements and mutually serves other land uses that comprise the City and contributes to making the City a desirable place to live and work. In the long-term, the existence of decent affordable housing will encourage the retention of jobs and contribute to a healthy and renewable social and economic environment.

**I. SIGNIFICANT ENVIRONMENTAL CHANGES WHICH WOULD BE INVOLVED IN THE PROPOSED ACTION SHOULD IT BE IMPLEMENTED**

The proposed action involves some changes to the housing stock and residential development permitting process but none of the changes are environmentally significant.

**J. GROWTH INDUCING IMPACT**

The Housing Element facilitates continued housing development and conservation of the housing stock but does not require increased densities or extensions of community facilities. The rate of housing construction projected to occur in the Housing Element for 1990-1995 is less than the rate of housing

construction for 1985-1990. Future improvements to the housing stock will accommodate projected population growth, which is based on expected employment growth. The Housing Element is not expected to have a significant effect on the rate of employment growth or housing construction in the City and therefore will create no growth-inducing impact.

## K. CONCLUSION

The Housing Element of the General Plan will not have a significant effect on the environment. Where applicable, individual improvement projects will undergo environmental review during the project design phase.

As a result of the Environmental Assessment prepared by the City of Concord, it has been found that the following proposed project should not have a significant effect on the environment. It is recommended the Planning Commission/City Council adopt a Negative Declaration for this project pursuant to the California Environmental Quality Act of 1970 (CEQA).

### **\*GENERAL PLAN AMENDMENT - HOUSING ELEMENT - (GP 3-90)**

Application by the City of Concord to update the Housing Element of the General Plan. The Housing Element establishes goals, policies, quantified objectives, and five-year schedule of programs to guide the improvement, development, and conservation of housing in the City of Concord for the period 1990-1995.

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